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General Strike Continues; Workers Rally in Fier

AU2005145691

[Editorial Report] Tirana Radio Tirana Network in Albanian at 1330 GMT on 20 May devotes six minutes of its regular 20-minute newscast to reports on the continuing general strike.

Sokol Perihati states: "The general strike has entered its fifth day. As time goes on, the situation is deteriorating. Many vital sectors of the economy are paralyzed, and it is clear that one of the main sectors is transportation."

A recorded Sokol Perihati interview with a Ministry of Transportation official follows. The official states: "From the information we have and the analysis we have carried out, it emerges that the general strike is still continuing among railroad workers, but in the road sector we can see that the workers of the truck fleets of Shkoder, Lac, Tirana, Durres, Elbasan, Korce, and Lushnje, although they support the wage increases, are working normally to supply the people with flour, etc." "In the ports, stevedores are carrying out work connected with the people's bread supply and the supply of coke to the Elbasan steelworks. They are on strike in other respects, however."

The announcer then reads a "communique of the Valias Mine Strike Committee," which states: "Because of the extreme deterioration of specific technical circumstances at the Valias Mine, and the danger of the collapse of some coal faces, the Valias Mine Strike Committee, with the approval of the Central Strike Committee for the entire republic, has decided that work will resume tomorrow at Valias until the coal faces are made secure. The collective of the Valias Mine is in full solidarity with the general strike."

In a report from Fier, Nasi Disha states: "As part of the strike declared by many enterprises in the district on 16 May, the Strike Committee of the District Council of the Independent Trade Unions held a peaceful demonstration today between 0830 and 1000. Thousands of working people from various sectors such as the truck fleet, the railroads, the handicraft and construction enterprises, and others took part. The demonstration's purpose was to demand higher wages and improved working and living conditions, as submitted in the petition to the government. The demonstrators carries placards reading: We want to live like human beings; Respect our labor; Down with the bureaucrats, etc. The carpet weavers of the handicrafts enterprise, who have been on strike for more than one month, led the demonstration. They were followed by other working people from the truck fleet and other enterprises. This demonstration was held on the town's main street for 90 minutes, and its participants dispersed peacefully at its conclusion. Meanwhile, the strike continues."

Agrarian Party Focuses on Problems in Countryside

AU2005195291 Tirana Radio Tirana Network in Albanian 1800 GMT 20 May 91

[Text] A statement by the Albanian Agrarian Party points out, among other things, that the recent legislative proceedings and the announcement of the new government and the publication of its program have stimulated more than ever before the political, economic, and legal thinking of the peasantry and agricultural workers, urging them to find solutions for the complicated problems the Albanian people face today. The peasantry and other agricultural workers continue to live under economic stress. Prompted by this situation, the statement continues, the Albanian Agrarian Party issues an appeal to the government and the Albanian state to guarantee and fulfill the social and economic aspirations of the entire rural population, who find themselves at a crossroads unprecedented in the 46 years since the liberation. The Agrarian Party, through this declaration, asks for the necessary feasible and acceptable ways to be found to pull the country out of the state of crisis that grips it. It must be clear to every Albanian that a cure for the economic situation of the 65 percent of the population that live and work in agriculture will have a powerful influence in restoring all Albania to health, the declaration concludes.

Omonia Describes 'Disturbing Situation' for Greeks

AU1805164491 Tirana Radio Tirana Network in Albanian 1600 GMT 18 May 91

[Text] The Omonia Sociopolitical Organization has issued a declaration stressing among other things that, in the context of the serious crisis in which our country finds itself, the most serious situation and the most fraught with distress and conflict is the situation in the area inhabited by the Greek minority in Albania. The growing economic difficulties, the [words indistinct] between Albania and neighboring Greece, and the long isolation of the minority and the entire country, followed by the opening of the border in our region, have led to a mass exodus and to daily dangers. The dramatic exodus is draining the population of its work force, young people, the intelligentsia, and leading to the emigration of entire families and the evaporation of the indigenous population with an attendant range of acute economic, social, and national problems. These problems are becoming more acute, because under the pretext of adding to the minority's work force, working people are being brought and are arriving from different parts of the country, involving the danger of their permanent settlement in these areas and the risk of interethnic quarrels.

Moreover, the declaration states, the columns of refugees that pass through our areas on their way to the Greek border and in the opposite direction, stop in villages when they return and commit illegal acts, causing great

distress. This exacerbates the situation, especially when it is often a matter of organized groups seizing livestock. The silence or passivity of the competent authorities and the failure to pursue the culprits arouse suspicions about the organization of these groups and their aims. This involves serious dangers with consequences for the country and beyond.

The Omonia Organization turns to the government for a maximum commitment on the part of both the government and the local authorities to stabilizing the situation in the minority areas. The Omonia Organization, the declaration concludes, will make its maximum contribution to stabilizing the disturbing situation in the minority regions.

Popov Comments on New Treaty With USSR

AU1805192391 Sofia BTA in English 1850 GMT 18 May 91

[Text] Sofia, May 18 (BTA)—In a televised interview this evening Bulgaria's Prime Minister Dimitur Popov said that no military treaty or military clauses had been discussed during his visit to Moscow.

The negotiations on the new Bulgarian-Soviet treaty have just begun, he stated. The present treaty between Bulgaria and the Soviet Union expires in 1992, but it should be decided if there will be a new one by August this year. The two sides have exchanged draft treaties in which, as it is already known, 80 percent of the texts coincide, experts will go on working on the drafts, Mr. Popov said.

The Bulgarian prime minister informed about his visit to Moscow in detail. "The ice is broken," he said commenting on the talks on the future Bulgarian-Soviet economic relations and expressed his satisfaction and optimism.

There was no pomposity, there was concern and a desire for finding solutions to all problems rapidly, Mr. Popov underlined. According to him his talks in Moscow were talks between equal and independent partners.

The interview with Prime Minister Dimitur Popov will be published unabridged in tomorrow's BTA bulletin "Radio and Television Monitor."

Consequences of SDS Conference Decision Viewed

AU2005185791 Sofia BTA in English 1511 GMT 20 May 91

[Iva Toncheva report]

[Text] Sofia, May 20 (BTA)—The Bulgarian opposition is facing a difficult choice regarding its structure: Whether to retain the coalition, or to turn its civil committees into a nationwide movement before the elections.

Yesterday's National Conference of the Union of Democratic Forces (SDS) did not split up officially the opposition. The unity of moderate and radically-minded SDS members persists but it is hard to say at what cost. Many problems are facing the opposition and they seem insoluble at first glance.

One of them so far is the difference between the disunited central leadership on the one hand and the local branches on the other which insist on new parliamentary elections in the near future.

The conference did not solve the SDS logistic problem either. Many speakers—delegates and leaders—said yesterday that the present coalition of 19 diverse parties and movements finds it hard to hold together moderate and radical, left- and right-wing members. The major dilemma in the Bulgarian opposition is whether a nationwide movement should evolve or the individual parties should develop further. This argument is going on both between the parties and within themselves. It is also the source of disputes over the timing of the new elections, many SDS members from both wings believe.

The idea for a nationwide movement is upheld by the radicals and the influential Podkrepa Trade Union, while the moderate members, or rather their leaders, insist on the development of the individual parties and on the party quotas in the coalition's list in the new elections. This is only natural since they represent the Social Democratic Party and the Nikola Petkov Agrarian Party which have a large membership. They are also supported by the Green Party and the Ecoglasnost Movement.

Disputes over the nature of the SDS—whether it should be a movement or a coalition—are dividing the opposition's electorate. It is difficult to say whether this is an internal development only, or it is attracting hesitating voters of the Socialists' electorate. When the problem is solved eventually, (which yesterday's conference failed to do) it will become possible for Bulgarian Parliament to have a line-up corresponding to the current social moods and the actualities which are different from those in June 1990 when the Bulgarian Socialist Party won the elections.

Over 440 delegates from the provincial sections of the opposition were unanimous in their support for the "Group 39": the radicals who went on a parliamentary strike and demand new elections in July. This is not unexpected. The preliminary inquiry with the municipal leaders of the SDS brought to the same result.

Under the resolution of the conference, MP's who remained in parliament are tasked to propose tomorrow or the day after tomorrow the immediate dissolution of the Grand National Assembly. It depends on the Socialists' majority whether this will actually happen. If this proposal is not accepted, the conference insists that the remaining MP's also walk out. Moreover, if new elections are scheduled for July, all MP's must return in parliament to vote the new Elections Act and the economic laws the government needs.

Yesterday Deputy Prime Minister Dimitur Ludzhev also spoke of a similar outcome of the crisis in the SDS, which is also a crisis in parliament and in Bulgarian political life in general.

The resolution, however, which according to another decision is binding on all member organizations in the SDS, was not signed by the leaders of the Bulgarian Social Democratic Party, the Nikola Petkov Bulgarian Agrarian Party, the Green Party and the Ecoglasnost Movement. Their MP's stick to their independence, to this parliament and to the passage of the new constitution. Will they stay in the coalition? Last night their leaders were non-committal in answering this question.

Many observers believe that today's meeting of the Coordinating Council of the SDS will make things clear. The stand of the four leaders will be decisive for the signing of a new agreement between the parties in the SDS. Last night the conference decided that this new "union contract" should be signed by the end of May and should unite all democratic forces in an "Open SDS Movement."

AFP Commentary on Possible Opposition Split

AU2005163391 Paris AFP in English 1505 GMT 20 May 91

[Text] Sofia, May 20 (AFP)—The opposition United Democratic Front (UDF) [SDS], is facing a potential split over attempts by right-wing deputies to force a dissolution of the constituent assembly, dominated by the reformed communist party.

The small right-wing parties within the UDF and the anti-communist labor union Podkrepa obtained support for their efforts on Sunday from the UDF's national conference meeting here, but were opposed by the main UDF component parties.

The right-wing parties also received the backing of 70 prominent Bulgarian political exiles who returned to the country on Sunday after 45 years abroad.

Several of the returnees announced their opposition to any political maneuvers which would help the former communist Bulgarian Socialist Party (BSP) to remain in power.

"Certain UDF leaders are seeking to destabilize the situation in order to change the social system by undemocratic means," BSP president and former prime minister Andrey Lukanov said in an interview published Monday in the BSP daily DUMA.

The main parties' desire to remain in the assembly until the adoption of a new constitution was harshly criticized by delegates at the conference, which adopted a motion calling on the 145 deputies of the UDF to propose a dissolution of parliament in view of July elections.

If the proposal was rejected by the reformed communist Bulgarian Socialist Party, which holds a majority in parliament, the conference mandated the UDF deputies to walk out of parliament, denying the BSP the two-thirds majority necessary for the adoption of a new constitution.

However, the decisions of the national conference, which proclaimed itself to be the UDF's supreme body, were rejected by the formation's main parties, including the Social Democrats, the Agrarians and the Greens.

Although the moderate parties control two-thirds of the UDF's 145 seats in parliament, they were outvoted at the party's national conference because many of their local delegates sided with the right-wing parties on the question of dissolution of the assembly.

The UDF groups 16 parties which opposed the former communist regime.

A Podkrepa delegate said the conference had shown that "the leaders of the four large UDF parties are not backed by local organizations."

Nonetheless, a poll carried out in early May showed that Social Democratic Party leader Petur Dertliev, leader of the moderate faction, was one of the most popular politicians in the country.

The poll also confirmed that the Social Democrats and Agrarian Party combined counted more supporters than all of the other UDF parties together.

An equal number—40 per cent—wanted the dissolution of parliament before a new constitution as did not.

If fresh elections were held, 32 per cent said they would vote for the UDF against 25 per cent for the BSP.

Forty-three right-wing UDF deputies walked out of parliament last week in a bid to force the dissolution of the parliament.

However, the remaining 102 UDF MP's chose to retain their seats until free elections scheduled for September.

Green Party Supports SDS Declaration

AU2005194891 Sofia Domestic Service in Bulgarian 1730 GMT 20 May 91

[Text] On 20 May in Sofia the Green Party held a news conference. It was reported that the party leadership approves today's declaration of the Coordinating Council of the Union of Democratic Forces [SDS] and for its part confirms that the SDS needs a new political agreement of the parties and organizations which form the union.

According to Aleksandur Karakachanov, Green Party leader, the issue is what form the SDS must have to achieve a greater election victory. At the news conference he said that the Green Party supports the idea of the SDS being a coalition, because turning the SDS into a party would mean that the union will be deprived of the great number of platforms and opinions, which exist today.

Asked about the future of the legislature, Lyubomir Ivanov, chairman of the Green Party legislative faction, answered that the Green Party deputies support successfully completing the legislature's work as soon as possible. However, he stressed more the need of support on the part of the Grand National Assembly for the government and the economic reform.

BZNS Faction Weighs Staying in Assembly

AU2105071291 Sofia BTA in English 2101 GMT 20 May 91

[Text] Sofia, May 20 (BTA)—The parliamentary faction of the Bulgarian Agrarian Party (BZNS) is considering the problem of whether to stay in the Grand National Assembly, Mr. Ivan Glushkov, deputy chairman of the Grand National Assembly, said on the National Television. The BZNS holds 16 of the 400 parliamentary seats.

Forty-five MP's of the Union of Democratic Forces (UDF) [SDS] walked out of parliament. They received the support of the group of long-exiled BZNS functionaries who returned to Bulgaria yesterday.

Mr. Glushkov, who has considerable influence in the BZNS, said that in his view elections should be held the soonest possible, which would settle the present paradox: It is the opposition that enjoys greater public support, but it is the Socialist (former Communist) Party which commands a majority in Bulgaria's Parliament.

The parliamentary faction of the Movement for Rights and Freedoms (MRF) [DPS] warned that it would decide not to attend the sittings of the Grand National Assembly if its recommendations made with regard to the new constitution are ignored.

In many parts of the country UDF, BZNS and MRF officials work together. Their leaders are negotiating a coalition in anticipation of the elections.

Dimitrov Speaks on Future of Legislative Democracy

AU1705175991 Sofia DEMOKRATSIYA in Bulgarian 13 May 91 p 1

[Petur Milanov report: "We Saved Parliament Once, Now We Must Save Parliamentary Democracy"]

[Text] During the last few days, the chairman of the National Coordinating Council of the Union of Democratic Forces [SDS] has repeatedly stated this truth. Let us hope that more Bulgarians, supporters of democracy have heard and understood it, and that the enemies of democracy also hear and remember it.

In the 11 May edition of Bulgarian Television's "Panorama" program, Mr. Filip Dimitrov once again reminded millions of viewers of the dramatic November days at the end of 1990 when dissatisfaction in the country brought down Lukanov's cabinet and the legislature was on the verge of collapse. The political crisis reached dangerous proportions for the country at thar time. Our young opposition showed remarkable political wisdom, however, despite its extremely good ratings at the time [43 percent for the SDS and only 25 percent for the BSP, according to the November 1990 figures of the National Center for Public Opinion Research]. It put national interests before everything else and did not succumb to temptation.

At that time the opposition saved the Grand National Assembly; the SDS deputies returned to the legislature to look for a final way of extricating the country from the depths of catastrophe. To every true Bulgarian and democrat it was obvious why they did this. Winter was beginning, and millions of Bulgarian citizens were about to taste the bitter socialist fruits of Lukanov's success—electric power and central heating cuts were already becoming more frequent; the shops were as empty as if a typhoon had hit them; and hunger was knocking on every Bulgarian's door. At this moment of supreme trial for the people, the Union of Democratic Forces played the positive role for which it was predestined. Thanks to the constructive stand of its leaders, the only way of saving the country was found, and the political agreement of 3 January 91 was signed.

The country breathed a sigh of relief. The formation of a national government lay ahead; SDS ministers assumed responsibility for the most difficult and important ministries; they instigated a reform to salvage the situation, while the people gritted their teeth and supported the reform. The opposition saved the legislature.

The agreement, however, emphasized the most important thing—the holding of legislative and local elections within a short and specific time period. This was the price of social peace and the means of maintaining it in the country. Since then a lot of water has flowed under the bridge. The Socialists did not stick to the agreement. Today, it is just a superfluous piece of paper, Dimitrov said on television on 11 May. He emphasized that the Constitution was also an agreement, which, if it was not kept, would also become pointless. There are eloquent examples of this—our previous supposedly democratic Constitution did not hinder the communists from setting up the cruelest totalitarian regimes in Europe. Our brothers who previously shared our fate—Poles, Czechoslovakians, and Hungarians—set off on the road toward democracy and Europe more quickly than we did, and with their old constitutions, but according to the rules of legislative democracy.

We saved the legislature; now we must save legislative democracy, Filip Dimitrov said. Who really needs a new fomenting of tension, new confrontation, and divisions among the people. The most democratic expression of the people's will is to hold new legislative elections and let the people have their say in a civilized fashion. Elections are precisely the way in which one legislature is replaced by another and that is exactly what rule by the people means, Dimitrov said in conclusion.

Let us really save legislative democracy, and let us hope that our historical memory is not as short as some people would like it to be.

Government Decree Relieves Profits Tax

AU2105080991 Sofia DEMOKRATSIYA in Bulgarian 14 May 91 pp 1, 2

[Nora Stoichkova report]

[Text] At its meeting of 14 May, the Council of Ministers adopted a special decree under which manufacturing and economic activities are relieved of profits tax in 54 municipalities and population centers. These include Dospat, Smolyan, Madan, Rudozem, Krumovgrad, and other places. The decree contains a second list of 176 municipalities, in which a profits tax will be levied at a rate of only 20 percent. These include municipalities in Sofia, Burgas, Varna, Lovech, Mikhaylovgrad, Plovdiv, Razgrad, and Kiaskovo Oblasts.

"By adopting this decree, we have in fact fulfilled the commitments that we assumed to the Grand National Assembly and as a party in the Tripartite National Commission for Coordinating Interests," Deputy Prime Minister Dimitur Ludzhev said on 13 May. In his opinion, the aim is not to give preferential treatment to certain sectors and regions, but to assist those regions and enterprises whose real difficulties, as compared with other regions in the country, have been increased as a result of Council of Ministers Decrees Nos. 31 and 22.

The government will allocate 10 million leva in 1991 "to improve bread supplies" in certain regions of the country. The decree also orders the Ministry of Finance to provide money to pay additional remuneration for unfavorable working conditions in enterprises supported from the budget and instructs the municipal people's councils to fulfil their obligations according to agreements concluded under the terms of Council of Ministers Decrees Nos. 31 and 22.

At the same meeting, the government decided that the Cereal Foods and Bulgartabak State Trusts will be demonopolized under Council of Ministers Decree No. 54. According to Minister Spirov, the Cereal Foods State Trust cannot be demonopolized immediately, because of the start of the harvest. Accordingly, the government decided to begin the demonopolization from 1 October 1991.

Following the example of countries with developed market economies, a grain agency will be set up to replace the Cereal Foods State Trust.

Because at the moment the activities of the Bulgartabak State Trust are regulated by a law that the Council of Ministers is not empowered to repeal, the government recommends that the trust carry out an internal decentralization.

The land included in the hunting reserves managed by the Security and Protection Department continues to be returned to its owners. On 13 May the government decided that the former Security and Protection Department should restore to its owners 13,676 decares of agricultural land included in the Iri Khisar Hunting Reserve, and 3,296 decares of arable land, grassland, and pasture from the Chekeritsa Reserve, Stryama, Plovdiv Oblast. The village of Borikha, Ikhtimansko district, recovers its title to over 1,700 decares of farmland included in the Iskur Hunting Reserve.

Legislature Adopts Foreign Investments Bill

AU1705220191 Sofia BTA in English 1956 GMT 17 May 91

[Text] Sofia, May 17 (BTA)—Today parliament passed the foreign investment act which lays down liberal regulations for foreign investments and provides them with guarantees, experts say.

Foreign persons can invest in all branches of the national economy. A special permission is required only for the defence industry, banking, or for the acquisition of real rights on immovable property. As an additional guarantee, foreign investment will be immune to any future restrictions or prohibitions that may be imposed by amendments to Bulgaria's legislation.

According to the Chairman of Parliament's Economic Committee, Social Democrat Zakhari Karamfilov, the act creates favourable conditions for foreign investors both at the input end (making the investment) and at the output end (repatriation of profits, dividends and capitals).

The act fixes the minimum amount of non-bank-derived investment credit for starting a business at $50,000. No threshold figure is required for the expansion of a business.

The act is vital for the start of privatization, especially of large-size businesses, Mr. Karamfilov said. Almost all businesses which have gone through the preparatory stage of privatization rely on foreign investment.

In the course of the debate, the act drew fierce fire from economists of the radical wing of the Union of Democratic Forces (SDS). Some of them pointed out that the act would put off foreign investors. Three days ago the SDS radicals walked out of parliament and did not attend today's sitting.

Economists and lawyers of different factions spoke in favour of the act, saying it would lay down regulations that are liberal enough and are consistent with the principles of European legislation.

Poll Shows Few Support Pace of Economic Reform

AU2005115591 Sofia BTA in English 0824 GMT 20 May 91

[Text] Sofia, May 20 (BTA)—Only 22.5 percent of Bulgarians approve the initial steps of the economic reform, 39.8 percent accept them as a necessary evil, while 32 percent resent them.

According to statistics released by the Institute for Social and Trade Union Studies, published in today's "TRUD," 62 percent of respondents believe that the government's efforts to speed up the economic reform are insufficient, 15.9 percent find them sufficient, while 16.1 percent say the government is making efforts in words

only. 15.9 percent of respondents describe the government's efforts to change the political system as sufficient, 45.9 percent say they are insufficient, and 14.7 percent are of the opinion that these efforts are impeding the change of the political system. 20.9 percent point out inflation as the gravest problem for this country, 41.4 percent say it is unemployment, 11.9 percent crime, and 12.1 percent political problems.

38.7 percent of respondents describe themselves as poor, while 52.8 percent predict they will be poor in the future. 0.2 percent consider themselves rich, while 3.6 percent believe they will become rich in the future. Those who consider themselves neither rich nor poor are 60.5 percent of respondents. 42.5 percent believe they will fall into this category in the future.

Only 14.5 percent of respondents believe that the trade unions can mitigate the negative after-effects of the economic reform, 25.8 percent reply in the negative, while 57.8 percent answer that they believe in principle.

Zhivkov Will 'Probably' Appear in Court in June

AU1605195591 Sofia BTA in English 1848 GMT 16 May 91

[Text] Sofia, May 16 (BTA)—According to well-informed sources Zhivkov's health will allow him to appear in court probably early next month. So far the medical expert commission has released no official information.

According to experts of the court and the Prosecutor's Office, if Zhivkov's illness gets prolonged, this will have an impact on almost all cases involving former top figures tried by the Chief Prosecutor's Office and that of the Armed Forces. Zhivkov is an important witness in these cases.

According to Mr. Khristo Khristov, head of the Investigation Department of the Chief Prosecutor's Office, the law provides for two options. First, a case can be adjourned until it becomes possible to question witnesses or defendants who failed to appear in court for reasons of health. Second, circumstances in a case can be proved by other evidence. The second option hampers investigation or the hearing of a case and makes them less thorough.

Lukanov's Lawyer Denies Rumors About Sentence

AU2005185591 Sofia DUMA in Bulgarian 13 May 91 p 2

[Statement by Blagorodna Radenkova: "Andrey Lukanov Was Not Convicted of Libel"]

[Text] The daily DEMOKRATSIYA regularly informs its readers about the developments of the "Orizarski Against Lukanov" case. Nevertheless the report published in the 10 May 1991 issue is incorrect, inaccurate, and incomplete.

It is not true that Orizarski sued Andrey Lukanov for libel. The civil case described in DEMOKRATSIYA involves the payment of a 5,000 leva compensation.

On 9 May 1991 the First Sofia District Court composed of 10 members pronounced its verdict on the civil case, accepting that Orizarski's claim is justified only for the payment of 800 leva. The decision, however, is not final. According to DEMOKRATSIYA, Orizarski has decided to appeal against the verdict, but no final verdict in the case is expected for the near future. This shows that Lukanov was not even sentenced to pay a financial compensation.

DEMOKRATSIYA, however, does not mention the fact that according to the court verdict that is not in force, Orizarski is expected to pay expenses amounting to 372 leva to Lukanov.

Asya Gruncharova's headline is effective and seems to be a hit for the front page of DEMOKRATSIYA. Nevertheless, the ethical standards of the journalists' profession does not permit wishful thinking to be presented as reality while the truth is neglected.

Soviets Summon Envoy to Protest Tank Affair

LD2105093291 Prague Ceskoslovensky Rozhlas Radio Network in Czech 0830 GMT 21 May 91

[Text] Rudolf Slansky, the Czechoslovak Ambassador to the Soviet Union, was invited to the Soviet Foreign Ministry today to hear the strong negative position of Soviet authorities on the Smichov tank affair. This information was given to the Moscow branch of CTK by the ambassador's aid.

3d Round of Soviet Troop Withdrawal Talks Opens

LD2005215791 Prague Ceskoslovensky Rozhlas Radio Network in Czech 1800 GMT 20 May 91

[Text] The third round of talks of Czechoslovakia's and the Soviet Union's delegations of experts on the settlement of property and financial issues linked with the entry, stay, and departure of Soviet troops from our territory opened in Cernin Palace in Prague today. The leaders of the two delegations, Vojtech Wagner, deputy Czechoslovak minister of foreign affairs, and Yuriy Grishin, deputy USSR minister of foreign economic relations, jointly stressed that the departure schedule of Soviet troops from Czechoslovakia is being observed. They also expressed interest in concluding an agreement rapidly on property and financial issues.

Calfa Returns From Asian Trip, Comments

LD2005092191 Prague CTK in English 0759 GMT 20 May 91

[Text] Kuala Lumpur/Prague May 20 (CTK)—Czecho-Slovak Premier Marian Calfa returned home early this morning from a tour of four Asian countries which resulted in the establishment of contacts with local companies, as he told CTK before departure from Kuala Lumpur yesterday.

Calfa told CTK it is necessary for Czechoslovakia to improve its system of marketing because his visits to Thailand, Indonesia, Brunei and Malaysia revealed that the knowledge of Czechoslovakia's export potential is very low in that part of the world.

Calfa believes some projects can produce results soon. This is true especially of electric power generating equipment, e.g. for small hydro-electric plants which would help Indonesia electrify outlying villages. Malaysia and Thailand are interested in products of the Czechoslovak aircraft industry. They may also import Czechoslovak-made electric engines.

As cities in the region face environmental problems, there is an opportunity for Czechoslovakia to supply trams and trolleybuses there which are environment friendly. The countries visited are also interested in Czechoslovak automobiles and buses if they can be supplied with the steering wheel on the right side, Calfa said.

He noted there are also prospects for exports of Czecho-Slovak building materials and fixtures. Other projects, e.g. supplies of plants for processing India-rubber and palm oil, and for the glassmaking and ship-building industries, will require more time to arrange.

Calfa also stressed the political importance of the tour because Czechoslovakia has been the first country from among the former socialist bloc to send a high-level delegation to the four Asian countries.

Calfa was accompanied on his tour, which started on May 12, by Czechoslovak Foreign Trade Minister Jozef Baksay, Czech Economics Minister Karel Dyba, Slovak Industry Minister Jan Holcik and about thirty representatives of the Czechoslovak industry and business circles.

Pithart Signs Agreement for Italian Joint Venture

LD2005213291 Prague Ceskoslovensky Rozhlas Radio Network in Slovak 1500 GMT 20 May 91

[Text] Czech Prime Minister Petr Pithart attended talks in Olomouc today, which culminated with signing a quadripartite agreement forming the basis for the (CSIT) Czechoslovak-Italian company with a (?restricted guarantee). It will support and organize the movement of the workforce and capital between Italian and Czechoslovak companies. It will also support the development of economic activity in marketing, design, production, and sale of industrial goods. The company intends to form mixed Czechoslovak-Italian companies too. Prime Minister Pithart described the treaty as the first result of his autumn trip to Italy. The announced Civic Movement meeting in Velka Bystrica did not take place because of lack of time.

Slovak Prime Minister on Relations With Hungary

AU2005121791 Budapest NEPSZAVA in Hungarian 14 May 91 p 2

[Interview with Slovak Prime Minister Jan Carnogursky by Jozsef K. Horvath; in Harmasko, Hungary, date not given: "Slovak-Hungarian Relations To Improve"—first two paragraphs are NEPSZAVA introduction]

[Text] The aim of the recent tripartite meeting between Austria, the CSFR, and Hungary was to achieve even closer cooperation and to implement the joint development tasks deriving from the proximity of these countries, primarily in the areas of energy and environmental protection.

The meeting took place at Harmasko, the point where the three countries meet. Austria was represented by Vice Chancellor Joseph Riegler; Hungary was represented by Transport and Telecommunication Minister Csaba Siklos; and the CSFR was represented by the newly elected Slovak Prime Minister Jan Carnogursky. We asked Carnogursky to grant us an interview.

[Horvath] Your election cannot be called very peaceful and joyous. What do you think about the recent demonstration in favor of your predecessor?

[Carnogursky] Prior to the government reshuffle, we thought a lot about our attitude, and we held talks with representatives of all the parliamentary parties. These negotiations made it clear that the only coalition capable of governing is precisely the one that took office recently. I have great hopes in the activity of this government precisely because there is no alternative in Slovakia.

[Horvath] Do you regard the pro-Meciar demonstrations as also anti-Carnogursky demonstrations?

[Carnogursky] I regard these demonstrations as an expression of sympathy toward Mr. Meciar. My opinion is that the people have not yet understood the future possibilities of Slovak politics in the case of a government different from the current one.

[Horvath] What is your opinion about Slovak-Hungarian relations?

[Carnogursky] Hungarian-Slovak relations are 1,000 years old. We are striving to improve these relations, and we will do everything in our power for this.

[Horvath] What is your opinion about the planned Vienna-Budapest World Expo? Do you think it will take place? How could Slovakia join this event?

[Carnogursky] I do not want to interfere in the internal affairs of Hungary and Austria, but I believe that this world expo will take place. In that case, Bratislava will certainly participate, at least partially. Among other things, we would also like to join the road and railways construction program that is essential for the world expo.

President Havel Meets With Interior Minister

LD2005223991 Prague CTK in English 2008 GMT 20 May 91

[Text] Prague May 20 (CTK)—Czechoslovak President Vaclav Havel today received Czechoslovak Minister of the Interior Jan Langos to discuss recent media criticism of the minister and his deputies, presidential spokesman Michael Zantovsky told CTK.

According to Zantovsky, after discussing the matter Havel concluded that the criticism was unfounded.

Dismissed Official Criticizes Interior Ministry

AU2105113191

[Editorial Report] Prague MLADA FRONTA DNES in Czech on 13 May on pages 1 and 3, under the headline "Dangerous Interior," publishes a 1,500-word interview with John Bok, dismissed Interior Ministry official, by MLADA FRONTA DNES correspondent Martin Komarek. The place and date of the interview are not given. In the interview, Bok alleges that the Interior Ministry has built up excessive power and is not answerable to anyone. He argues that it is more important who you know than what you know.

Bok is described in the introduction as a Charter 77 signatory and a former dissident who during the revolution became "a higher official at the Office of the Federal Ministry of the Interior for the Protection of the Constitution and Democracy," and was dismissed recently, under peculiar circumstances. Bok is convinced, according to Komarek, that the reason for his dismissal was not incompetence but "his criticism of the highest representatives of the ministry, including Jan Langos." Bok is reported to have said that although he does not care for career posts, he will sue for wrongful dismissal. "The problem is that a power beyond control is again being formed at the ministry. That could be tremendously dangerous."

According to Bok, the turn toward nondemocratic methods coincides with Jan Ruml's transfer from the post of director of the "Office for the Protection" to the ministry. He took with him Petruska Sustrova and Arnost Kohut (as deputy ministers) "not because of their abilities, but because of their friendship with Minister Langos." Bok says that he does not believe that there were any reasons for recalling the former director of the Office the Protection of the Constitution and Democracy, Jiri Muller. "The complaint that he did not remove former State Security agents from the office does not stand—it was Mr. Ruml who left the office in that shape. The concept of the office as an intelligence information body collecting information concerning the security of the state proposed by Jiri Muller was the optimal one." It would not be concerned, Bok says, "only with terrorism and drugs, for instance, but also with the bodies violating laws and the Constitution." Muller, according to Bok, resisted attempts to subordinate the office to complete government control. "He became awkward." The changes that took place after Muller's departure, Bok says, meant a further deterioration.

Bok says that his own case began with his investigating a complaint against current Deputy Minister Kohut. According to Bok, the investigation proved that Kohut was actually prosecuted for disturbing the peace and not for a political act. "He got drunk, broke a neighbor's window, assaulted the neighbor, and insulted a policeman." Bok says that whereas Kohut remained in his post protected by Ruml and Langos, an inspector involved in the investigation was dismissed. The Kohut affair was later revealed to the public in Assembly Deputy Sacher's interpellation to Minister Langos. Bok says of this interpellation: "I am not a supporter of Mr. Sacher but, unfortunately, I must say that in his interpellation he is right in about three-quarters of his claims. I reproach the current ministry leadership for creating an uncontrollable Moloch following ties of friendship rather than democratic and professional methods." Bok describes how overstaffed individual sections of the

ministry are, and asks why the surveillance and investigation services "with all the State Security agents" were transferred to the ministry's jurisdiction, thus further expanding its power.

He himself, Bok says, was actually dismissed on 19 December last year, but no one told him. He says he believes that his telephone is tapped. Bok is appealing his dismissal in court but, he says, the important thing is "that the ministry is again becoming a center of arrogant power that is not answerable to anybody. It is not guided by the principle of not harming others." According to Bok, the officials at the ministry are only building up their own positions.

'Harsh Criticism' of Government Policy Voiced

LD1705090691 Prague Domestic Service in Czech 1600 GMT 16 May 91

[Excerpts] Jan Kulhavy and Stanislav Benda report from the parliament building on the proceedings of the third day of the 15th Federal Assembly joint session. [passage omitted]

The afternoon session was dedicated to a debate on the Federal Government materials submitted earlier and on the draft resolution. The tone of the debate was sharp. Harsh criticism was addressed to the government. It concerned most of all the quality of the basic pillars of economic reform: the anti-inflation policy, the liberalization of prices, the devaluation and internal convertibility of the koruna, and social policy.

The government's report was described as too optimistic, containing few elements of analysis. Although no one in the debate asked for a fundamental change in the reform's scenario, deputies insisted that the government should admit errors in the action it had taken and show willingness to rectify them. As is to be expected, the left-wing deputies are dominating the debate. However, it is difficult to estimate the extent to which they will succeed in exactly formulating the basic ideas of their addresses and submit them to joint rapporteurs in the form of specific proposals, suggestions, and amendment motions that can be incorporated into the resolution. We will have to wait and see, however, because the Assembly has adjourned and will resume the debate tomorrow.

Czech Legislature Drafts Constitutional Agreement

AU2105083291 Prague LIDOVE NOVINY in Czech 14 May 91 p 2

["Czech National Council and Slovak National Council Draft Agreement on the CSFR's Constitutional and Legal Arrangement" submitted by Czech National Council representatives to the meeting in Lany Castle on 10 May]

[Text] We, the Czech National Council [CNR] and the Slovak National Council [SNR], as the supreme legislative bodies of both independent and sovereign states—the Czech Republic and the Slovak Republic—elected for the first time in a truly free and democratic manner, rightfully representing—as a consequence—the citizens of the Czech Republic and the Slovak Republic and expressing their will, appreciating all the favorable aspects and results of our two peoples' and ethnic minorities' coexistence to date in a single common state, and endeavoring under the new conditions—created by our people's successful struggle for freedom and independence—to establish the coexistence of the Czech and Slovak people and ethnic minorities living in our two republics on the foundations of real equality, have agreed on the following:

1. The citizens of the Czech and Slovak Republics express their desire to live in the joint state of the Czech and Slovak Federal Republic, a state that is a voluntary union of two equal members—the Czech and Slovak Republics.

2. The CSFR is a sovereign and democratic legal state based on respect for the rights and liberties of the individual and the citizen. Basic rights and freedoms—and the guarantees for their implementation—are the same throughout the CSFR.

3. The CSFR is composed of the Czech Republic and the Slovak Republic. Each of the two republics may disestablish this union only on the basis of the direct expression of their citizens' will in a general referendum held under conditions laid down by the CSFR Constitution.

4. The Czech and Slovak Republics respect each other's sovereignty and the sovereignty of the CSFR. Similarly, the CSFR respects the sovereignty of the two republics.

5. The CSFR's fundamental law is its Constitution adopted by the Federal Assembly. The Constitution will proceed from the principles contained in the agreement and will refer to them in its introductory statement.

6. In the future, changes to the CSFR Constitution will require the agreement of both republics. The CSFR Constitution will determine whether a special federal body composed of the same number of members from the CNR and SNR—the Federal Council—is authorized to express such agreement.

7. The Czech and Slovak Republics—based on their own decision and in their own interest—agree to the CSFR continuing to execute state authority to the extent laid down for it in the CSFR Constitution on the basis of the following principles:

—The Federal Assembly's legislative authority will correspond to the amendment adopted by Constitutional Law No. 556/1990;

—The CSFR Constitution or a Federal Assembly law will determine the introduction and execution of Federal Assembly laws;

—The restrictions on the republics' independence will be compensated for by their participation in implementing the joint state's jurisdiction.

8. Legal regulations promulgated by CSFR organs are immediately valid in the Czech and Slovak Republics. The Czech and Slovak Republics' constitutions and constitutional and other laws must be in harmony with the Federal Assembly's constitutional laws. Czech and Slovak Republic government decrees and legal regulations issued by the Czech and Slovak Republics' ministries and other organs must be in harmony with the Federal Assembly's constitutional laws and other laws.

9. The CSFR Constitutional Court will resolve disharmony between legal regulations promulgated by CSFR organizations and legal regulations promulgated by the Czech and Slovak Republics' organs. Both republics will undertake to fully respect the court's decision.

10. The CSFR will carry out its jurisdiction via federal or republican organs. The CSFR Constitution will determine the conditions under which a republican organ can execute federal jurisdiction.

11. A state citizen of each of the two republics is also a CSFR state citizen. A citizen of one of the republics has on the territory of the other republic the same rights and obligations as the citizen of the other republic.

12. A single head of state—the CSFR president—elected by the Federal Assembly and the Federal Council will continue to head the joint federative state.

13. The Federal Assembly will have one chamber.

14. The federation's supreme body of executive power will be the CSFR Government.

15. The CSFR Constitution will define relations among the president, the Federal Assembly, the Federal Council, and the Federal Government as well as the fundamental principles—common to both republics—for constructing a state administration, self-governing bodies, a judiciary, and so on.

16. In their own constitutions the Czech and Slovak Republics will respect the principles adopted in this document and declared to be elementary from the point of view of a joint state.

Slovak National Party on Draft Constitution

AU2105093891 Prague MLADA FRONTA DNES in Czech 15 May 91 p 16

[Unattributed report: "A Renewal of Czechoslovakism"]

[Text] The Slovak National Party [SNS] has expressed serious reservations concerning the Czech National Council and Slovak National Council draft agreement on the CSFR's constitutional and legal arrangement presented by Czech National Council Chairwoman Dagmar Buresova. "The draft follows up on the incorrect presumption that, by establishing a common federation, the independence of the Czech Republic and that of the Slovak Republic will be restricted. However, the Czech Republic has never been independent and the Slovak Republic lost its independence under circumstances different from those under which the Czechoslovak federation is being created and, therefore, Section 7 of the [draft] formulation, which states that 'The restrictions on the republic's independence will be compensated for by their participation in implementing the joint state's jurisdiction' is nonsensical," says the Slovak National Party standpoint. The single-chamber Federal Assembly is unacceptable to them. This setup would allegedly lead to the renewal of "Czechoslovakism." The question of whether the federation is more advantageous for both republics than their independence has appeared in this statement once again. "The idea of the Slovak Republic's and the Czech Republic's sovereignty within the framework of the federation presented in the draft agreement is unacceptable because it presumes that the constitutions of the national republics will only be procedural regulations for the implementation of the Federal Constitution. The Federation's Constitutional Court will have the right to abolish the constitutions of the national republics," the Slovak National Party statement reads.

Slovaks Underrepresented at Defense Ministry

AU2005130291 Bratislava NARODNA OBRODA in Slovak 14 May 91 p 6

[Koloman Cizmarovic article: "Federal Army; Few Slovaks at the Ministry of Defense"]

[Text] The solution to the national problem in the Army must be based on two basic premises. First, on the federal arrangement of the state in accordance with the latest changes arising from the division of powers. Second, on the principle of the federal management of the Army.

Specific measures taken in this area must be reflected on two planes. The first is the Army's deployment on our territory. The restructuring of the Army into three military commands that is under preparation will result in most soldiers and officers serving in their original domestic environment.

The much-discussed problem of personnel representation in the higher-ranking positions remains unresolved, however. A historical perspective provides the following picture: Before the breakup of the [1918-38] first republic, only 420 of the Army's 13,000 officers were of Slovak nationality, that is, 3 percent. Of the Army's 140 generals only one, General Viest, was Slovak. And among its 432 colonels there were no Slovaks at all.

After 1945, this unfavorable situation gradually improved. In 1960 soldiers of Slovak nationality accounted for 20 percent of all career soldiers, in 1970 for 24 percent, and in 1980 for 28 percent. Only in 1990,

seven decades after the founding of the common state, was the ratio of career soldiers of the two state-forming nations brought to proportionate level: Career soldiers of Slovak nationality currently represent 34.7 percent of Army members.

Less favorable is the situation at the command level, particularly at the highest command levels. The number of Slovaks at individual administrations of the Federal Ministry of Defense ranges between 5 and 23 percent.

Compared with the preceding decades, the improvement even at these levels is evident. It is understandable, however, that as long as we do not achieve a just proportionate representation of the two nations, this fact will be reflected unfavorably in public opinion and relations between our two nations will be disturbed. It is precisely now, within the framework of the ongoing changes in all walks of social life, that we have the chance to eliminate the remaining shortcomings in solving the national question in the Army. The current rehabilitation proceedings [of Army members discharged from service in the past 40 years for political reasons], too, should be used to this end. Slovak deputies on the CSFR Federal Assembly's Defense and Security Affairs Committees should also deal with this problem more actively and show greater initiative.

Control Minister on Handover of CPCZ Assets

LD2005221391 Prague Ceskoslovensky Rozhlas Radio Network in Czech 1800 GMT 20 May 91

[Text] The Federal Government discussed in Prague today the fulfillment of constitutional laws on the return to the people of the Czech and Slovak Federal Republic of assets by the Communist Party of Czechoslovakia [CPCZ], the Socialist Youth Union [SYU], and some public organizations of the former National Front. It also endorsed the bill on veterinary care, which makes it possible for private individuals to render specialized veterinary services.

As Federal Minister of Control Kvetoslava Korinkova said at a news conference, the deadline for the handover of CPCZ and SYU assets has not been met. This was caused in paticular by the work of federal and republican government commissioners who were instructed to take over the assets. At present some 80 percent of assets have been taken over, and some are still being sought. In the case of the SYU, the issue of its Central Committee assets and the special purpose organization, Zenit-Centrum, remains open.

Kvetoslava Korinkova stressed that the entirety of the assets will probably go to the republics. At issue, however, is also the fact that the monetary assets should be used for restitution, and the material assets should be used for education, culture, and health care. She also reported on the outpouring of CPCZ assets in the shape of its transfer to joint stock companies, saying that these cases are being investigated. According to Minister Korinkova, cooperation with the present bodies of Communist Party of Bohemia and Moravia is often very negative.

CPCZ Leaders on Czech, Slovak Party Federation

AU2105104191

[Editorial Report] Prague RUDE PRAVO in Czech on 14 May on page 3 carries a 1,000-word interview with Pavol Kanis, chairman of the Federal Council of the Communist Party of Czechoslovakia, CPCZ, by Miroslav Siska entitled "Hopes, Setbacks, New Hopes...." Bratislava PRAVDA in Slovak on 16 May on page 5 carries a 1,000-word interview with Jiri Svoboda, chairman of the Communist Party of Bohemia and Moravia, KSCM, by Peter Misur entitled "We Are Learning To Be a Political Party." The places and dates of the interviews are not given.

The RUDE PRAVO interview with Pavol Kanis is devoted to the current 70th anniversary of the founding of the CPCZ. Apart from discussing the "deep systemic defects and mistakes in the theory and practice of the communist movement and socialist construction" that led to the CPCZ's "historic defeat" in November 1989, Kanis also discusses differences between the KSCM and the Party of the Democratic Left, SDL, the CPCZ's organizations in the two republics.

Asked whether the two parties' assessment of the CPCZ's history is the same, Kanis says: "The very fact that the parties in the two republics have different names indicates that there exist different views on both the history and the present, as well as on strategic and tactical issues. The SDL essentially refrained from celebrating the CPCZ's 70th anniversary and is establishing itself as a new party. Its approach to history is such that it acknowledges it but does not intend to build on it." In this context Siska asks: "At the last session of the Federal Council you observed that 'the CPCZ is an empty set.' What is the future of the CPCZ Federal Council?"

Kanis replies: "What is left of the centralist party is, essentially, just the name under which we contested the elections. In view of the fact that organizational life is a matter for the parties in the republics and the federal umbrella is a coordinating body, a more accurate name of the alliance would be Federation of the KSCM and the SDL.

"The Federal Council will exist as long as the organizations in the republics wish to have such a federal umbrella. In other words, as long as it is a functional body. A certain tension does, however, arise from the diverse developments in the KSCM and the SDL."

Asked what makes the KSCM and the SDL keep "the federation of their parties," apart from financial reasons, Kanis replies that, apart from the "common cradle" of the two parties, the primary motive is "interest in coexistence between our two nations." As for the financial aspect, Kanis mentions that the division of the party's previously uniform property has not yet taken place "because everything is

complicated by the law on returning the CPCZ's property to the people of Czechoslovakia."

In the interview, Kanis also comments on the plan to hold a debate in the Federal Assembly on the assessment of the 42 years of communist rule. He conveys his party's position that the Federal Assembly is not "qualified in this sense" and that the assessment of this period should be left to historians.

In the PRAVDA interview, Jiri Svoboda replies, among other issues, to questions about the KSCM leadership's policies, which internal party critics qualify as anti-reformist. Svoboda says that the "process of differentiation" within the KSCM is "completely natural" and is not unique to his party. He believes, however, that individual "currents of thought should show mutual respect and tolerance" and deplores the fact that they "give each other labels." Asked where the limit lies, beyond which the party would be unable to tolerate the "reformist" or "fundamentalist" currents, Svoboda says: "The threshold of sensitivity, beyond which a divorce would be inevitable, will become apparent once the 'centrist current,' which is probably the most numerous, becomes so disoriented by these various minority opinion currents that it loses its sense of direction or, as Minister Klaus put it pointedly on one occasion, when the rear mirror fills the whole space of the windshield of the train in which we travel."

Svoboda is also asked to deliver his opinion on "the functioning of the federation of the KSCM and the SDL." He says: "As this federation is very young—it was founded, in fact, only at the 18th CPCZ Congress—we have not yet had a chance to test under which conditions it could be a stabilizing factor in society. As for the process of differentiation between our nations and republics, I consider it natural. It reveals not only really existing conflicts but also a different level of development of Czechs who—unlike Slovaks—do not give much thought to their identity. They assume that they already have an identity, one that is rooted in the unitarian perception of the Czechoslovak state. This notion has a tradition within our party as well. If for no other, then for this reason alone the federation of the KSCM and the SDL should be based on the principle of construction from below, from primary organizations up to republican organizations, which should then delegate some powers to the federation. However, it has not worked like this and there have even been many hitches. This does not mean, however—also in view of the political situation—that we should not try to make the federation work in this way."

Forum Interrupts 6-Party Talks, Revises Position

LD2005203791 Budapest MTI in English 1751 GMT 20 May 91

[Text] Budapest, May 20 (MTI)—The six-party talks, which started last Thursday [16 May] at the initiative of the Federation of Young Democrats (FYD), continued on Monday evening with the compilation of the agenda. (FYD's proposal on the discussion of representatives of the six parliamentary parties was aimed at reaching consensus over the most pressing tasks facing the country.) According to MTI's information, the Monday evening session will deal with open questions concerning the aim of the talks and the political guarantees of the talks. Following this, experts will decide on the working order, including the question whether to allow journalists to attend the meetings.

[Budapest MTI in English at 1959 GMT on 20 May adds in a similar report, datelined Budapest: "The expert talks preliminary to the six-party meeting were interrupted on Monday evening. Janos Ader of the Federation of Young Democrats (FYD) told MTI that an agreement was reached last week that the final document would be signed by the party chairmen. However, representatives from the Hungarian Democratic Forum (HDF) announced on Monday evening that they had revised their position and decided to amend it to the effect that the document should be signed by another authorized person on behalf of the HDF and the other parties. The opposition parties were of the view that as HDF's withdrawal had upset the order of themes to be discussed agreed upon last week, the parties needed to consult their own bodies on the matter. Janos Ader said the HDF had asked for time, and promised to foward its position in writing to the other parties in three days, time. Decision on the continuation of the expert talks will be made afterwards."]

Justice Minister Interviewed on Ownership Laws

AU2105073691 Budapest NEPSZABADSAG in Hungarian 13 May 91 pp 1, 4

[Interview with Justice Minister Istvan Balsai by Andras Sereg; place and date not given: "Solid System of Ownership by Autumn"—first paragraph is NEPSZABADSAG introduction]

[Text] The country is facing an ownership reform. Several tens of thousands of properties are expected to change hands in the coming months and years, and an already accepted law, and another one still in preparation are associated with this ownership movement that promises to be massive. Istvan Balsai answered our questions about the compensation law and the government proposal to regulate the fate of former church properties.

[Sereg] According to the preamble to the bill that settles the ownership of former church properties, it is not unconstitutional if a constitutional right, or a social aim that is not contrary to the Constitution, can only be achieved through positive discrimination. Given that freedom of religion is a constitutional right, positive discrimination of the churches over other organizations is not against the Constitution. Is the regulation based on this principle?

[Balsai] Freedom of conscience and religion does not only mean the freedom to attend church—which has not really been banned up till now either—it also includes the provision of material requirements to carry out cultural, educational, social, health, and other activities useful to the community, which are part of religious life. That is to say, apart from enforcing a constitutional principle, returning church property will serve the realization of not only religious but also certain social aims. I am convinced that our suggestion regulates all these questions without infringing upon any other constitutional rights.

[Sereg] Let me quote a few passages from the government proposal and the Constitution. We can read in the preamble that "properties owned by the state and by self-governing bodies form the basis that satisfies the church's requirements in kind." On the other hand, our Constitution states: "The state acknowledges the self-governing bodies' right to property ownership." Do you not find a contradiction between the two statements?

[Balsai] I do not suppose that the transfer of state-owned property can be disputed. As for the local authorities, let me refer to the ministerial preamble to the law on self-governing bodies accepted last summer [1990], which explicitly stated that further laws would define the scope and limits of property owned by self-governing bodies. This is what we are talking about now, not expropriation.

[Sereg] Will the self-governing bodies receive compensation?

[Balsai] The self-governing bodies should receive compensation when they hand over their resources. The situation is different for those items of property that the self-governing bodies received with the obligation to perform certain tasks, but which they were given free of charge, after all. They are not due any compensation for these possessions, especially because the churches will also take over the function of these properties—for example health duties. We must not forget that this way, the self-governing bodies will be relieved of their duties to perform these tasks.

[Sereg] Many people also question the method whereby the affected local authority will only be able to delegate one member to the committee for handing over property—which will consist of an equal number of governmental and church representatives—when the committee decides on the property of self-governing bodies.

[Balsai] We would like the self-governing bodies and the church to agree on the issues of transferring property. The committee's basic task would be to judge the merit

of the churches' requests, and then to draw up a proposal for the government about the properties that should change ownership in the next 10 years—that is, not immediately. Then the church could decide in the following three years on the time when it wants to take over the property.

[Sereg] These rather loose dates do not promise that the Hungarian ownership system will become stabilized within the foreseeable future. If we add to all this the equally long-term ownership changes generated by the compensation law, then we can actually continue to dream about the ownership security and legal security that form the basis of a market economy.

[Balsai] This fear is unfounded. The compensation law clearly states that the time limit for filing a claim is 90 days. The ownership of the properties in question will definitely be established by that date. Only the assertion of claims will take place after the 90th day, and the claimants' entitlement to compensation notes will be clarified. After the three months have expired, there will not be much uncertainty left concerning the land, because if the person who is entitled to compensation wants agricultural land instead of compensation notes, then he will have had to have made a statement about this in his request. If this statement is missing then the decree entitling him to acquire land cannot be issued. As for the 10-year schedule for the transfer of former church property, this is necessary because we have to take into consideration the effects on the budget, the rights of bona fide inhabitants, and the ability of the church to receive, too. In this case, however, the claims will also have to be filed within 90 days, in which time the scope of the ownership restructuring will take shape, and the affected properties and the participants in this ownership change will also become known.

[Sereg] If I understand that correctly, ownership relations will be consolidated by this autumn [1991] according to the government's plans?

[Balsai] That is correct.

[Sereg] How many properties did the church file a claim for?

[Balsai] I would like to stress that any claims made so far cannot be taken as valid legal statements. As I already said, the filing of claims can take place only after the law comes into force.

[Sereg] They talk about 1,000-1,200 properties.

[Balsai] We do not know yet how many properties will be affected by the law. Experts estimate the number to be much less than rumored.

[Sereg] How many properties are affected by the compensation law?

[Balsai] During the nationalization, 400,000 apartments, 300,000-400,000 small businesses, and—under the pretext of an offering or compensation—3,000,000 hectares of land were taken away from their owners.

[Sereg] In the government's estimation, what proportion of people entitled to compensation will file a claim?

[Balsai] We are expecting 60-70 percent to file a claim.

[Sereg] What about the effects on inflation?

[Balsai] The government does not agree with the pessimistic predictions. As the compensation note is a security that cannot be exchanged for money, the law clearly defines all those assets and all those rights to property—for example the right to life- annuity—that can be acquired by compensation notes. Altogether, these rights will result in property transfers to the value of some 20-25 billion forints per year. Also, if some people would prefer to sell, rather than exchange their compensation note for an asset, that would not create extra demand either, because that money will have been in circulation already.

[Sereg] According to some people, not only the former property owners but others, too, should be able to file a claim for compensation—for example people living from their wages and salaries.

[Balsai] We are aiming to achieve a market economy based on civil rights. The compensation law, which implements the partial compensation of former property owners, can also be fitted into this framework. Our possibilities, however, are limited. Another point is that we cannot compensate in kind for something that cannot be grasped legally.

[Sereg] At the same time, there are considerable differences between various types of compensation. Compared to those who are reclaiming land, former owners of apartments will hardly get anything.

[Balsai] We had to start from the premise that apartments do have and land does not have a real market value today. Although we cannot compare their market values, their revenues can be compared to each other. While land makes about 2-3 percent profit annually based on its gold crown value [arable land measurement], an apartment—if, say, rented out—can bring 15-20 percent of its market value. We must also consider the fact that tenants can purchase their rented apartment on very favorable conditions, and they may even use their compensation notes in certain cases.

[Sereg] Is it not arbitrary for the law-maker to consider the revenues instead of the market value when deciding on compensation of former owners?

[Balsai] I do not think so. Besides, we also took into consideration the fact that apart from agricultural land, work tools and animals were also taken away from former land owners. The compensation includes these goods, too.

[Sereg] To conclude our conversation, why did the government begin the ownership reform with secular and church compensations?

[Balsai] So no one can challenge the existing ownership relations any more.

Opposition Roundtable Holds First Session

AU2005131091 Budapest NEPSZAVA in Hungarian 14 May 91 p 4

[S.I.-signed report: "Batonyi Is The First Chairman—NEKA Goes for a Change of System"]

[Text] The non-legislative parties want to warn Hungarian society about the existence of political forces to be reckoned with other than the six [legislative] parties. The National Smallholders' Party, the Christian National Union, the Solidarity Union Workers' Alliance [SZSZMSZ], the Hungarian Gardeners' Association, and a number of other organizations, 13 altogether, made a statement of intent on 1 May 1991 to establish the National Opposition Roundtable [NEKA].

During their first session on Monday [13 May] afternoon, they defined their activities, and their intention to create professional colleges. NEKA will not publish the names of their experts because they are preparing for the real change of system, and to set up a new team of leading experts.

The participants worked out the cardinal points of their draft program on Monday afternoon. They all agreed that the most important issue is to ask the foreign creditors to reschedule Hungary's debts. They demand that those responsible answer for their actions, and are called to account immediately. In their view, the people who brought the country into its present state must be condemned. They do not want a witch-hunt but social stigmatization. They think it is at least as important to hold general elections and to summon the constitutional assembly.

In their view, the presence of SZSZMSZ in NEKA is the assurance for the working class's involvement in this new organization, and they also ensured this by electing Sandor Batonyi as their first chairman.

The participants in NEKA count on a supporting membership of 400,000 people.

Prime Minister Interviewed on Visit to Israel

LD1905230391 Budapest MTV Television Network in Hungarian 1700 GMT 19 May 91

[Interview with Prime Minister Jozsef Antall by unidentified reporter; place and date not given—recorded]

[Excerpts] Israeli Prime Minister Shamir said about Jozsef Antall's 13-15 May visit that the visit opened a new page in the two countries' relations. [passage omitted]

[Reporter] [passage omitted] Did the topic of the Jewish issue cause any concern at the official discussions?

[Antall] Well, perhaps I would not put it this way, that it caused concern. Concern for the world's Jewry is the duty of Israel's government policy, and altogether of the Israeli State, just as it is the duty of every state and every nation to have concern also for those who live beyond their borders. Consequently, this was a part of our discussions and conversations, and the Israeli Government in this regard treated with recognition the conduct of the Hungarian Government, of the Hungarian National Assembly and the official Hungarian policy. The importance of this issue was emphasized by the Israeli Government as well, but no kind of problem was raised, and the Israeli Government also regards the Hungarian Government's policy as a guarantee in this issue, and here, as a matter of fact, it was a question of interstate relations. They simply accepted our statement. [passage omitted]

[Reporter] Yitzhak Shamir described the two countries' relations as friendly. How far did the visit fill this relationship with concrete content, and what possibilities did it reveal?

[Antall] The relations were indeed friendly. [passage omitted] However, we also have to note that the Israeli Government understands and also takes cognisance of the fact that in this region we have extremely significant economic relations with the Arab countries. Along with this we have to maintain friendly relations with Israel.

[Reporter] Do the Arabs misunderstand this, the improvement in relations with Israel, the extent of their qualitative change?

[Antall] I think that both the Israeli Government and the Arab governments see clearly that Hungary strives for a balanced, an equalized foreign policy. Isreal has to take note of the fact that within the trade we conduct in this region, the Arab countries and Iran—that is to say a non-Arab Islamic country—jointly represent a foreign trade turnover of nearly $1 billion. Therefore, this region is extremely important for us both in terms of quantity of raw materials, since with the halting and reduction of Soviet oil deliveries last year, already our oil imports from the Middle East grew to an extraordinary degree, and likewise also as a market. [passage omitted]

Financial Relations With Israel Examined

LD1605102491 Budapest MTI in English 0854 GMT 16 May 91

[Text] Budapest, May 16 (MTI)—Hungarian Minister of Finance Mihaly Kupa and Janos Martonyi, secretary of state of the Ministry of International Economic Relations, both termed the future of Hungarian-Israeli financial relations as promising.

Following his visit to Israel, Kupa told MTI on Thursday he had experienced considerable interest in the Middle

East country for the setting up of a Hungarian-Israeli bank similar to the Bank Leumi. Kupa and Eli Reichmann, a member of the Canadian Reichmann family who lives in Israel and who has considerable investment capital, agreed to hold further talks in Budapest in July, when Reichmann will visit Hungary.

Martonyi said the 15 million dollar credit guarantee agreement makes it possible for Israeli banks to grant loans to Hungarian banks and companies with preferential interest. The credit guarantee is provided by the Israeli Foreign Trade Risk Insurance Institute, mainly to finance Israeli exports. Inasmuch as the credit framework is exhausted, the possibility also exists to ensure further amounts. Through the credit guarantee, the value of Israeli exports to Hungary could increase by 20-25 million dollars in the near future.

An agreement was also reached at the talks to hold the first session of the Hungarian-Israeli joint committee in the second half of October. Other themes discussed included a possible reduction of duties, about which both sides provided detailed recommendations. This is expected to be one of the themes to be discussed during the October talks.

Soviet Official Speaks on Barter Deals

LD2005160491 Budapest MTI in English 1447 GMT 20 May 91

[Text] Budapest, May 20, 1991 (MTI-ECONEWS)—The Soviet Government has lifted the ban on barter deals, and republics and companies will now be more independent in foreign trade, Viktor Aristov, vice-president of the Soviet Chamber of Commerce and Industry, told the session of the Soviet-Hungarian section of the Hungarian Chamber of Commerce here today. Mr Aristov referred to Order No. 148 of the Soviet ministerial cabinet concerning the tasks of foreign trade in 1991. However, Mr Aristov admitted that precise and clear rules for implementing the order have still not been published, and barter deals continue to be heavily taxed. This means that concluding barter deals will still not be easy in practice. The Chamber official also said that Soviet companies which fulfil their hard-currency income plan will be authorized to freely export between 8 and 10 per cent of the amount they produce over and above the plan. During talks in Moscow over the weekend, a Hungarian Government delegation led by Minister of International Economic Relations Bela Kadar was not informed about the lifting of the ban on barter deals, although conditions of bilateral trade were one of the main topics of negotiations.

Participants Interviewed on Bucharest Border Talks

LD2005205891 Budapest Kossuth Radio Network in Hungarian 1630 GMT 20 May 91

[Interview with Geza Entz, political state secretary in the prime minister's office, and Gyula Keszthelyi, the prime minister's advisor, by unidentified announcer; place and date not given—live or recorded]

[Excerpts] [Announcer] Our studio guests are Geza Entz, political state secretary in the prime minister's office dealing with Magyardom beyond the borders, and Gyula Keszthelyi, the prime minister's advisor. Geza Entz gave a news conference in Bucharest on 17 May and I suspect that the questions with which my Romanian colleagues bombarded him were not the gentlest.

[Entz] You are absolutely right. A very wide range of topics in Romanian-Hungarian relations, the sphere of problems relating to the minority, came up at the news conference that lasted nearly two and a half hours, where at least 70 reporters were present, so we had an opportunity to listen to pleasant and less pleasant questions.

[Announcer] Could we hear some of the latter?

[Entz] Well, of couse, they were not really unpleasant, but they were problems which are perhaps considered sensitive, such as how we regard the border issues. Because we had informed the reporters of our prime minister's stand on the basic principles of Hungary's minority policy, which was made public during his discussions with Hungary's minorities, or rather after these [discussions]. These principles figure such terms as those relating to Helsinki Final Act's standpoint connected with borders, and the provisions in this regard contained in the Final Act of the Helsinki meeting, and they asked how we interpret these.

[Announcer] Precisely. I think it is right that this should be clear to everyone, since Jozsef Antall had said that it is not Hungary's objective to forcibly change the borders—which does not preclude changing the borders by other means.

[Entz] Yes, well, if two countries agree to change their borders and both countries wish to change their borders in the same direction, in such a case there is no sense in any kind of international agreement forbidding it. [passage omitted] In today's Europe the question of border changes almost never arises, that is why our prime minister used this formulation in his standpoint.

[Announcer] Did they raise the Eger conference, which took place a few weeks ago and whose topic was the future of Transylvania, or to be more precise Transylvania's eventual, or possible, autonomy, and after which the Vatra Romaneasca, among others, launched a sharp attack against the participants?

[Entz] Not only the Vatra Romaneasca, but Romanian public life, practically the whole of the political public life, were in a commotion following this conference. The reactions, the very sharp reactions, occurred not immediately at the time of the conference but somewhat later—to be precise, three weeks later.

[Announcer] Did they call you to account because of this—if I may put it so crudely—at the Bucharest news conference?

[Entz] They did not call me to account. The Romanian Foreign Ministry issued a statement in this connection, in which it was stated that the things that had been said there [at the Eger conference]—to be more precise, the form in which Romanian public opinion registered them—do not represent the Hungarian Government's standpoint. In other words, the Romanian Foreign Ministry itself issued a dissociation in this connection. On the other hand, this continues to preoccupy Romanian public life, and those putting the questions [at the Bucharest news conference] were interested to know how much weight this conference carried in Hungarian political public life.

[Announcer] What was your reply?

[Entz] In my reply I pointed out that it had no influence whatever on Hungarian politics and it did not have much reaction in the press, either. We did not consider this as some kind of central issue, especially not in the form in which it was interpreted in Romania. I would, however, like to say one thing: That there is no place or justification for any kind of government standpoint in this connection, since anyone, any organization, can hold any kind of conference it wants and it can adopt whatever stand it sees best. The Central and Eastern European political community is very sensitive on this issue; the political climates approach it very forcefully from its emotional aspects, from an emotional angle. These waves could stand in the way of rational politicizing.

For this reason anyone who speaks on such issues, concerning the minority issue, concerning the spheres of problems between two countries, must watch very closely what he says; a very great responsibility attaches to what we say, the stands we adopt. [passage omitted]

[Announcer] I can see that Gyula Keszthelyi wants to say something.

[Keszthelyi] I would like to say that, speaking with Romanian colleagues, journalists, and politicians it emerged that this campaign of provocation connected with the Eger conference possibly had several domestic political, Romanian domestic political, causes, which the experts presuppose. One of them is that not long ago they signed the Soviet-Romanian special agreement, which the opposition is attacking very vehemently. The other is that the draft bill on state security is being currently debated in the Romanian Parliament, which would prescribe very strict regulations for all those who blurt out state secrets. The third is that the RMDSZ [Democratic Association of Hungarians in Romania] is holding its second congress this week. In this domestic political situation it seems that for very wide circles the possibility has come in handy for, on the one hand, diverting attention from the Romanian-Soviet agreement connected with Bessarabia. With this they can shore up the state security draft bill; as well as the fact that Transylvania's Magyardom could be compromised prior to the RMDSZ's second congress.

[Announcer] You were visiting Romania at a rather tense time. You spent nine days in Transylvania, in Bucharest. [passage omitted] As history has shown several times, in such times nationalism comes to the surface and this does not really favor the minorities, including the Hungarian minority.

[Entz] This is truly the case, and I think that we must expect the form of nationalism which we are now experiencing to be around for a rather long time yet. Thus, if we want to judge the prospects realicstically, I must say then that there is a need for a change of generation for politics to go into a fundamentally new direction, that we could register this [change in nationalism]. As far as we are concerned, however, it only increases the size of the challenge and we must continue such an active policy which endeavors by every possible means to build and consolidate relations in the most varied areas of life, in economy, politics, and culture. There have been recently a good number of serious initiatives for this, partly successful ones too. [passage omitted]

[Announcer] Will there be a Hungarian-Romanian summit? [passage omitted]

[Entz] The level on which the taking up of relations takes place depends always—not only in respect of Romania but in general in international relations—on the kind of concrete results which may be expected from it. thus the natural precondition of a foreign ministerial or prime ministerial visit—and it is not just a kind of Hungarian specialty—is that it should have concrete results. [passage omitted] the visit should be the closing accord of carefully prepared agreements, concordes promoting the essential elements of relations. The Hungarian stance in this respect is fully unchanged. [passage omitted] Naturally, such a visit may occur if there is a crisis situation but we hope that this will not happen either in the immediate future or the distant future. [passage omitted]

[Announcer] To what extent can this nine-day visit represent progress in Hungarian-Romanian relations?

[Entz] I would judge it to be successful in any case because my aim in making the visit was, on the one hand, to become familiar with the situation of the Hungarians in Romania. [passage omitted] On the other hand, the visit was to get acquainted with the stance of the Romanian political factors, the views of the administration, the opposition, the independent intelligentsia—I have in mind here also the members of the dialogue Group. Third, my aim was to make all these people and the widest possible public opinion familiar with Hungary's view, the policy of hte Hungarian Government. I feel that this treble objective—with its focus on gathering and dissiminating information—was successful this time. [passage omitted]

Greek Foreign Minister Samaras Pays Visit

Meets With Jeszenszky

LD2005152691 Budapest MTI in English 1334 GMT 20 May 91

[Text] Budapest, May 20 (MTI)—Hungary's change in regime and democratic transformation have created favourable ground for a reshaping of relations with Greece, an effort facilitated by the fact that both countries are now following the same principles, the Hungarian and Greek foreign ministers asserted in their Budapest meeting on Monday.

Antonis Samaras, Greek foreign minister, currently paying an official visit to Hungary, held a tete-a-tete consultation, lasting for almost three quarters of an hour, with his Hungarian counterpart Geza Jeszenszky in the Foreign Ministry. Later on, the two delegations held a plenary meeting.

Surveying bilateral relations, both sides expressed their preparedness for co-operation, and agreed to hold more intensive bilateral consultations at all levels.

The foreign ministers pointed out that economic co-operation was not fully exploiting the possibilities. They agreed that the development of economic ties would be a common task. The Greek partner said it expected Hungary to be gradually integrated into Europe. This is why the development of relations serves not only the improvement of bilateral co-operation but also helps strengthen ties between Hungary and the European Communities.

The Hungarian side urged that Greece should ratify the agreements on investment protection and tourism signed previously. The idea of a social security agreement was also raised.

Addressing international affairs, the sides discussed the issues of national minorities, the Middle East peace process, and Cyprus. According to Jeszenszky, the two countries hold identical or similar views on these issues.

Jeszenszky, Samaras Hold News Conference

LD2005220491 Budapest MTI in English 1852 GMT 20 May 91

[Text] Budapest, May 20 (MTI)—Prime Minister Jozsef Antall met Andonios Samaras, Greek minister of foreign affairs, currently paying an official visit to Hungary, in the parliament building on Monday afternoon. In the course of the informal conversation, the Greek foreign minister confirmed his government's support for Hungary's rapprochement to the European Communities.

As the final event on the first day of his official programme, Andonios Samaras held an international press conference jointly with his host, Foreign Minister Geza Jeszenszky, in the government guest house. Samaras said his talks in Hungary had reinforced his conviction that the country was in the throes of economic change and saw its future in European integration. Greece is ready to support Hungary's endeavours in this direction, by pursuing bilateral consultations on a regular basis in all walks of life.

Samaras also informed journalists that Jozsef Antall had confirmed the invitation he had extended to the Greek prime minister to visit Hungary.

The Greek side encourages the expansion of business links, particularly the formation of joint ventures. Prospective areas of co-operation include tourism, the building industry and machine engineering. A meeting of experts is shortly to be held in Athens for the discussion of economic issues, he said.

Answering questions, the Greek foreign minister said that the talks covered the latest developments in the Balkan states, including Yugoslavia. Greece agrees with the Economic [as received] Communities insofar as it would be desirable to "discourage" the peoples of Yugoslavia from pursuing separatist aspirations. In EC's opinion, Yugoslavia should remain within a single alliance system. Samaras warned against all forms of military intervention, stressing that the republics have to decide on their future by themselves.

Geza Jeszenszky said he was in complete agreement with his host, with their judgement of international issues being very close or identical.

Reportage on Prime Minister's Visit to France

WA2105113691

For reportage on the visit by Prime Minister Jozsef Antall to France, including reports on his talks with French President Francois Mitterrand, see the France section of the 21 May West Europe DAILY REPORT and subsequent issues.

Warsaw Authorities Declare 'Ecological Threat'

LD2005223391 Warsaw PAP in English 1944 GMT 20 May 91

[Text] Warsaw, May 20—At noon Warsaw Provincial Governor Bohdan Jastrzebski declared the state of ecological threat in the capital and Warsaw Province in connection with the sixth day of the strike of garbage collectors.

At today's press conference Warsaw President Stanislaw Wyganowski said that Warsaw authorities will not change their stand on pay rises for garbage collectors as the city could not afford to pay more than a 400,000 zloty-rise for each worker.

Under the declared state of ecological threat Warsaw authorities assumed emergency powers and issued special regulations the non-observance of which may end in a penalty or a three-month arrest for a citizen.

The commander of the Warsaw military district announced that the Army will help clean up the city.

Industrial Unrest in Transportation Works Reported

LD2005224791 Warsaw TVP Television Network in Polish 2110 GMT 20 May 91

[Text] Strikes are continuing in several Polish cities. Members of Solidarity and the Union of Metal Workers have been holding a sit-in in the management building of the Star [truck] works in Starachowice since this morning. At the moment there has been agreement only on the timetable for talks on a long list of demands.

In the Mielec Transportation Equipment Works factory, Solidarity has declared a protest against the ultimatum issued by the works management directed to the Ministry of Industry. The management has demanded the immediate transformation of the enterprise into a one-owner company of the state treasury. This would mean layoffs of more than 8,000 workers. The situation in the town is worrying. The mayor of Mielec has informed President Walesa about this in a special letter.

Bielecki, Balcerowicz Give News Conference

AU2105073391 Warsaw RZECZPOSPOLITA Economy and Law Supplement in Polish 14 May 91 p 1

[Edmund Szot report: "Let Us Not Neglect The Fallen Output"]

[Text] Monday's (13 May) news conference by Prime Minister Jan Krzysztof Bielecki and Deputy Prime Minister Leszek Balcerowicz began with the handing out of copies of DOBROBYT [PROSPERITY], the journal of the Polish Prosperity Party, which supports the government's economic policies to the best of its modest abilities.

Hopes for a large amount of information were dispelled immediately. The meeting was, in the words of some participants, partnerlike. The questions were brief because, in the words of the master of ceremonies, "there was no longer any need to explain to the prime minister and his deputy the meaning of the word economy." The prime minister and deputy prime minister replied skillfully and humorously, but their replies obviously disguised an intention of finding out exactly what society thought of their policies. One must admit that even they did not learn too much about that.

Prime Minister Bielecki began by saying that many of the proposals and decisions which the government is currently working on have still not been given documentary form; therefore, it is too early to discuss their contents. As a result of this statement, many journalists suddenly found they had no questions to ask on this subject, so they switched to fringe topics, with questions like: Is homosexuality a perversion or not? Nevertheless they did ask a few fundamental questions which demanded serious answers.

"Independent Western experts claim that the Polish gross national product has fallen by about 15 percent since 1989," said Deputy Prime Minister Leszek Balcerowicz. "The reason the economic situation of the postcommunist countries has not developed as well as expected is that these countries have failed to appreciate the extent of the economic upheaval caused by the collapse of the Eastern market, and because the reaction of enterprises to the new economic conditions has not been as energetic as expected.

"The speed of change is slower than expected, apart from which there is a general suppressive climate that does not encourage any rationalization. For example, people talk of a budget disaster when there is no budget disaster at all. After June 1991 we expected a budget deficit of about 5 trillion zlotys [Z], whereas in fact it will be Z8 trillion. The situation concerning Soviet trade is indeed bad, because we must pay for Soviet imports in hard currency, and it is difficult to sell Polish exports there."

"The legislative backlog is a real danger to the Polish economy," said the prime minister. "There is a growing pile of several dozen bills waiting to be examined by the Sejm, and little progress has been made in passing economic legislation; therefore, major changes to legislative procedures are required. Time is flying, experts are divided in their opinions, the introduction of a new tax system is at risk, and we are losing track of a great many important issues.

"Enterprises have failed to adapt properly to the rules of a market economy, and are still protecting their workforces. Some economists suggest a 'restricted economic development of an enterprise,' but fail to specify what such an enterprise is supposed to manufacture, at what cost, and at what prices."

Prime Minister Bielecki suggested that the official data on fallen output be viewed in relative terms. "Can we compare what we now have with what we had under the infernal economy of chronic shortages?" he asked.

"The economic results of the first quarter are indeed worse than expected," said L. Balcerowicz. "The fall in

production—i.e. the recession—is disturbing. Transferring from one system to another is more costly than we could possibly have foreseen in the beginning. On the one hand, we must not neglect the fallen output, but on the other hand we must realize that this fall is the result of a rationalization of supply and a limitation of waste.

"When inflation was 40 percent in 1989 and we had two weeks to decide what kind of strategy to adopt—i.e whether to restructure the economy first and wait for market results—or create a market economy without restructuring the economy first, we chose the second solution. But even in a stabilized economy the flow of events is very large. Even so, we made the right choice," said Deputy Prime Minister Balcerowicz.

OPZZ Says Economic Conference Unsuccessful

LD2105092691 Warsaw PAP in English 2118 GMT 20 May 91

[Text] Warsaw, May 20—The Presidium of the Council of the All-Poland Trade Union Alliance (OPZZ) said today that the economic conference held in the Belweder Palace at the end of last week had not brought results expected by society.

Deepening crisis of the Polish economy, with a special regard to the state sector, arouses deep concern and opposition of the OPZZ trade unions. The currently staged strikes can lead to a complete breakdown of economic reforms, the OPZZ press office said.

Household Income, Expenditure in 1990 Reported

AU2105084591 Warsaw GAZETA WYBORCZA in Polish 14 May 91 p 1

[Unattributed report: "What We Earned, What We Spent"]

[Text] Everybody was worse off, but not to the same extent. In 1990 the average wage was worth 25 percent less than a year before, but in the fourth quarter of 1990 it was already worth only 11 percent less than a year before, according to the Main Office of Statistics.

On the other hand, in the fourth quarter real wages in the so-called non-material sphere were already 7 percent higher than a year before: 6 percent higher in education; 8 percent higher in the arts; and even as much as 31 percent higher in the state administration and for Justice Department employees. Average wages in that latter area were 2,472,000 zlotys [Z], whereas the average wage in the state sector of the economy as a whole was Z1,436,000.

Those worst affected over the entire period were employees in the state agricultural sector—the real value of their wages was 30 percent lower over the whole of 1990 and was still 26 percent lower in the fourth quarter of 1990.

Per capita income for employee families during the fourth quarter of 1990 was 20 percent lower than a year before: In the case of employee-peasant families, it was 22 percent lower, 30 percent lower for peasant families, and only 5 percent lower for families of pensioners and benefit recipients. Nevertheless, per capita income for families connected with agriculture were over 10 percent higher than for employee or pensioner families over the year as a whole as well as during the fourth quarter of 1990.

During the fourth quarter the average pension or benefit amounted to Z746,000, which was 54.6 percent of the average wage in the economy (52.7 percent in 1989).

The level of poverty, which was still quite extensive, fell during 1990. In employee families, it fell from its highest level of 44 percent in the second quarter to 30 percent in the fourth quarter. The corresponding figures for families of pensioners and benefit recipients were 51 percent and 31 percent.

The size of the highest income group also increased—almost 20 percent of employee households and 10 percent of pensioner households had a per capita income of over Z1 million in the fourth quarter of 1990.

Per capita consumption in 1990 was about 16 to 29 percent lower than in 1989, but steadily increased from the second quarter onward. By the end of the year, employee families were buying only 5 percent less than a year before, and pensioner families were buying only 1 percent less.

The share of the household budget spent on foodstuffs is one measure of the standard of living. In the fourth quarter of 1990, the percentage of the household budget spent on foodstuffs was 46.4 percent for employee families, 48 percent for peasant families, and as much as 55.5 percent for pensioner families. The lower the level of income, the higher the expenditure on foodstuffs—the poorest families (a per capita income of less than Z400,000) spent over 58 percent of their income on foodstuffs, whereas the wealthiest families spent less than 40 percent.

Economies made by families in all categories mainly took the form of lower expenditure on clothing, shoes, and vacations and certain foodstuffs (cereal products, pasta, cream, and cheese). On the other hand, consumption of meat products, butter, vegetables, and potatoes increased.

Mazowiecki Queried on Aims of Democratic Union

AU2005113691 Warsaw RZECZPOSPOLITA in Polish 13 May 91 p 1

[Interview with Democratic Union Chairman Tadeusz Mazowiecki by Ewa Szemplinska; place and date not given]

[Text] [Szemplinska] The two-day Democratic Union congress caused a lot of emotion and controversy among the delegates. What has it achieved?

[Mazowiecki] The main achievement is unification, which was the primary objective. The congress slogan was: "The Union for Poland," and our congress was dominated by a feeling of concern for Poland's interests that transcended any divisions, interests that are above any parochial and internal party interests. I think the conduct of most of the delegates illustrated this fact.

[Szemplinska] Some delegates feared that the Union would become a rather eclectic party because it is the product of various trends and orientations, and therefore must provide a compromise satisfactory to all of those who have united themselves in it.

[Mazowiecki] I think any party created out of a unification of internal factions is in danger of eclecticism, but not a political group that is created at a given time to resolve this situation. From the Union's inception, I made it clear that we are forming the Union in order to find solutions to specific Polish problems and that our main intention is to construct a program applicable to the present Poland and situation in which we live. That is the basis of our program. It is difficult to detect anything eclectic about it, nevertheless I would describe it as a flexible program. I think that the idea of a pact for Poland which I mentioned in my speech, in other words the supremacy of national interests over parochial ones and a greater degree of social participation in the implementation of this program, proves our flexible approach toward this program. That is why we also think it is time for the next step in implementing the government economic program. Without altering the basic path of changes toward a market economy, it is necessary to make adjustments that permit the continuation of the reforms now that society accepts them. Finally, we want to dispel all differences in world outlook, so they no longer set Poles apart. These are very serious problems, and the Union wants to solve them by means of compromise and accord.

[Szemplinska] Nevertheless, not all of the Program Commission's draft program has been adopted. That has also caused fears.

[Mazowiecki] Because several dozen amendments to the program were presented during the congress, there was no time to examine and vote for all of them, so the congress adopted just the basic outline of the program. The Program Commission has two weeks time in which to finish the work. Most of what is left are just marginal issues that require clarification.

Democratic Union Issues 'Pact for Poland'

AU2105085891 Warsaw GAZETA WYBORCZA in Polish 14 May 91 p 4

[Unattributed report: "A Pact for Poland"]

[Text] The Polish state is in danger, says the Democratic Union in its first, seven-page declaration.

The Union states that doubts are beginning to be cast on whether it will be possible to build both democracy and a market economy at the same time. "It is increasingly being suggested that the capitalist orientation of policy be abandoned. These calls can not only be heard from post-communist quarters, but also from certain movements and organizations that evolved out of 'Solidarity,' as well as from both the right and the left of the political scene." The union response is: "There is no alternative to capitalism for the Polish economy."

On the other hand, states the Union, there is danger that market reforms will be checked by a "wave of wage demands and protests" and this might make it "tempting to impose restrictions on political democracy as well as on civil and employee rights," and the Union draws attention to the authoritarian tendencies that are characteristic of "part of public opinion." "If political life is marked by increasing chaos, these tendencies may grow stronger."

According to the Union, democracy and the market economy are inseparable. "The abandonment of any one of these two principles of the 'Solidarity' revolution must end in the defeat of the revolution."

A pact for Poland—that is, "a broad agreement between social forces with conflicting interests"—will restore "democratic approval for the continuation of the reform" based on recognition of the fact that "for the sake of the common good, legitimate, justified wage and other demands can no longer be completely satisfied today, but, at the same time, none of them can be entirely ignored."

According to the Union's "market economy with a social conscience model," a compromise would be worked out between social interests on how to divide up the costs of the crisis. "The compromise would be based on two principles: no one gets everything, but everybody gets something" and "today's sacrifices guarantee tomorrow's gains."

1. As in other post-communist countries, we lack "the essence of democracy—a mechanism that would bring interests to the fore, permit conflicts between them, and provide for mediation. (...) At best, political parties represent narrow political circles, but are mostly groups representing their ambitious creators," and deputies and senators tend to represent "a system of values, great historical considerations, and their own ambitions rather than the interests of groups or regions."

The Union stresses that "one should not expect the situation to change as a result of free parliamentary elections." That is why "compromises that are concluded solely within parliament may prove to be inadequate."

2. The government is and will remain the country's major employer for a long time to come, and employers organizations are only beginning to be formed. National union bodies only control their local chapters to a limited extent. That is why a "straightforward compromise concluded 'at the top' cannot guarantee social peace." The formulation of a pact should introduce grassroots initiatives into the public arena. "A pact is the negation of an agreement between elites."

3. In view of the tendency of employee and farming unions to issue demands, an agreement "at the top" could check market-oriented changes. A pact for Poland of that kind would be a contradiction.

4. The most serious obstacle to the conclusion of a pact is "the exploitation of the difficult financial situation, especially the financial position of the state, to boost the

popularity of one's own political organizations," through a growing number of "demagogic actions in public life." Concessions by the government are regarded as proof of the authorities' weakness and give rise to further demands.

That is why it is necessary to conclude "a gentlemen's agreement among those political forces that (....) would be prepared to extend a political protective umbrella over the market-oriented reform. The agreement would set out the true limits of the political center, which is averse to ideologies, extremism, and demagogy."

The Union proposes that political parties, groupings, and circles each declare their acceptance of the following principles:

—Market-oriented restructuring and stimulating the national economy as well as a policy of economizing and maintaining a balanced budget to aid those processes are a necessity that is not open to question and will not be the subject of election campaign rivalry. However, what is essential is a debate on economic programs that takes account of this necessity;

—Curbing or suspending democratic procedures or civil and employee rights can under no circumstances serve as a means of holding down demands or solving social problems and conflicts;

—Regardless of ideological orientations, it is agreed that the state should, first and foremost, assist the regions and social groups most affected by the reform, but under no circumstances can steps be taken today that will completely offset the effects of reform;

—While recognizing constitutional freedoms regarding the organization of strikes, demonstrations, and street protests, political groupings will not encourage their supporters to engage in them (...);

—The way in which the onerous effects of the reforms are distributed and the demands that they prompt should be the subject of negotiations and compromises at various levels.

The Union calls on "representatives of large interest groups, such as hired labor, state employees, private farmers, private sector employers, pensioners, and benefit recipients" to start negotiations on the "question of distributing the onerous effects of the reform. They should begin immediately after the elections and the formation of a new government, and they should be held under the auspices of the democratically elected Sejm, which will act as a guarantor for the agreement that is concluded."

"We are not proposing," stresses the Union, "yet another agreement between the government and the trade unions," but "the setting in motion of a mechanism for the conduct of negotiations (...) with the participation of the government as one of the parties to a compromise."

The subject of the negotiations should be proposals prepared by the government pertaining to:

—The principles of incomes policy, along with a list of the dangers that might hinder their implementation;

—Projections for income indices and possibilities for adjusting them over the course of a year depending on: the inflation rate, whether output is rising or falling, the level of debt, and the budget situation;

—Alternative methods for controlling incomes. Negotiations on this topic must cover the so-called tax on supernumerary wage increase and alternatives to it;

—Periodic consultations between participants in the negotiations.

The Union proposes that "regional, local, and plant circles and groups immediately commence negotiations on local compromises." The Union believes that the situation is dangerous when local demands clash and are addressed to the government with, as a rule, the application of pressure through strikes and protests. Disputes about the future of plants that harm the environment and about which direction economic development should take are matters that should be resolved within local communities.

Poll Shows Democratic Union Most Popular Party

LD2005212491 Warsaw PAP in English 1915 GMT 20 May 91

[Text] Warsaw, May 20—The Democratic Union Party won the largest support of the prospective electorate, according to an opinion poll carried out on May 10 by an opinion polling centre based in the northern Polish town of Sopot in connection with parliamentary elections to be held in the autumn.

The Solidarity trade unions, the Liberal-Democratic Congress and three peasant parties rallied in one electoral committee come as the second most frequent option which is followed by Tyminski's Party X, the Polish Party of Beer Lovers and the Centre Alliance.

At the end of the list, the respondents placed the Union of Real Politics, the Polish Socialist Party, the Polish Social-Democratic Union and the Democratic Party. According to the poll, some 60 percent of the electorate will take part in the voting.

SdRP Chairman Interviewed on Party Convention

LD1805214291 Warsaw Domestic Service in Polish 1700 GMT 18 May 91

[Interview with Aleksandr Kwasniewski, chairman of the Social-democracy of the Polish Republic [SdRP], by Magdalena Winiarczyk; place and date not given—recorded]

[Text] The first convention of the Social-democracy of the Polish Republic [SdRP] was held today.

[Winiarczyk] What is this convention meant to do?

[Kwasniewski] It is a democratic innovation, because the convention amplifies the program, makes changes to the rules, passes—or otherwise—a vote of confidence in the officers, in a secret ballot, but first and foremost we would like to adopt the party political program which, alongside the purely economic program, should form the platform for our participation in the elections. We will be striving to build an alliance of the Left with other forces. We are hoping, after these elections, to show that we have public support.

[Winiarczyk] What are the most important things in this program?

[Kwasniewski] Generally speaking—because the program is quite extensive—it emphasises our adherence to the principles of a law-governed state, a democratic state based on Parliament, on a multiparty system, on public mandate acquired through elections. We avoid demagoguery, we avoid populism, we do not want to promise that pears will grow on a willow tree. It so happens that we are a little familiar with the taste of government, and we know it is not all that sweet. Consequently, with full responsibility and specifically, we would like to offer our political alternative and our economic alternative, hoping that we will win over supporters and voters.

[Winiarczyk] That is looking to the future, but a convention also sums up the period since the party's formation.

[Kwasniewski] That is right. This was a very difficult year, or rather 15 months. We were attacked all the time, in effect, for just about everything. We survived. For me, a symbolic expression of our survival and presence in the political life was the fact that immediately after our formation, Lech Walesa, chairman of the Solidarity trade union, said we would last only three months. On the last day of last year, however, he, as president, received me at Belweder and spoke a great deal of Poland very much needing a left leg, including us, as part of that left leg.

Social Democracy To Join Left Alliance

LD2105093891 Warsaw PAP in English 2143 GMT 20 May 91

[Text] Warsaw, May 20—Leader of the Social Democracy of the Republic of Poland (SdRP) Aleksander Kwasniewski told a press conference here today that the party's first national convention has decided that the SdRP will take part in parliamentary elections within the broad alliance of left-wing parties.

Kwasniewski also stated that the convention adopted draft socio-political and economic programmes which are to serve as a basis of his party's election alliance with the Democratic Left. He described the main points of the economic programme as orientation towards proinvestment efforts which should help overcome recession, equal treatment of various forms of ownership and introduction of ownership changes in consultation with society and working crews.

The SdRP convention also adopted amendments to the statutes on the basis of which a 14-strong Presidium of the party's main council was elected. This new organ of authority is to decide on the programme of the SdRP work and to speak out on current problems between the conventions.

Liberal Democratic Congress Prepares for Election

LD1905220391 Warsaw PAP in English 2029 GMT 19 May 91

[Text] Warsaw, May 19—On the second day of its 2nd national conference the Liberal Democratic Congress elected 34-year-old historian from Gdansk Donald Tusk leader of the main board. Premier Jan Krzysztof Bielecki was chosen for the chairman of the party's Political Council. Speaking to newsmen, Tusk said that the stage of forming the party had been closed and solid foundations laid for its lasting presence on the political scene of Poland in view of the oncoming parliamentary elections.

The postponement of the elections till october has opened a field for a new political game. This makes things ever more complicated for the government as most of the changes indispensable for the reforms call for new legal regulations. But today the government and the Parliament are not working in the concerted rhythm of reforms. This makes the performance of our tasks more difficult, Premier Bielecki told the conference.

Assessing the government's policy, the Liberal Democratic congress said in its stance that despite a vote of confidence passed in the Sejm (lower house), the Cabinet did not win support of parliamentary majority which delayed work on reforming economic laws. In order to pursue a liberal policy, the government has to be backed up by all forces interested in constructing a healthy economy, they stated.

The conference accepted the motion to form an independent parliamentary floor group of the Liberal Democratic Congress. Thus the party's MPs will quit membership in the citizens' caucus.

Chairman of the Conservative Liberal Party Slawomir Jaruga, a guest of the conference, proposed taking actions towards programmatic and organizational integration of Liberal groups. Similar intentions were voiced by other Liberal parties while the Independent Students Union declared its support for the Liberal Democratic Congress in the forthcoming elections.

The party adopted nine resolutions and stances, among them, the programme aimed at moving Poland towards a democratic capitalism by means of restoring private property and a market economy and forming a strong state of maximally restricted interventionism.

During the National Conference of Citizens Committees here today, Senator Jerzy Stepien proposed to set up an all-polish citizens committee which together with the national committee would consider possible electoral

coalitions. Otherwise, the citizens movement will collapse, he argumented. The conference did not take any decision on the issue. The committee resolved to invite President Lech Walesa to its nearest session on June 16 to brief him on social moods.

Summing up the results of the economic debate in the Belwedere Palace on May 17 and 18, leader of the committee Zdzislaw Najder opined that the discussion there had shown that the government was not viewing the effects of its economic and social policies in a longer perspective and disregarded its social outcome. Najder also expressed regret that the premier had started to talk about a legislative blockade on the part of the Parliament so late. Had he done that in January or February, it would have been another argument for early elections, Najder said.

The participants in the conference objected to some of the provisions included in the electoral laws adopted by the Sejm (lower house) recently, such as the ban on conducting electoral campaign in churches. We are against abusing churches for such purposes, but such a ban in the law interferes with the church independence and autonomy, they said in a resolution.

In another resolution they asked the senate speaker to give an international character to the Polish initiative on establishing May 31 an international day of the unborn child.

Party X First Congress Proceedings Reported

AU1805212691 Warsaw RZECZPOSPOLITA in Polish 13 May 91 pp 1,2

['Political Section'-signed report: "Tyminski Is Leader"]

[Excerpts] Stanislaw Tyminski was unanimously voted chairman of Party X at the party's first congress in Warsaw on 11 and 12 May. The congress resolution states that Deputy Prime Minister Leszek Balcerowicz must be brought before the State Tribunal. The party's first parliamentary deputy is Stanislaw Bibrzycki, formerly a member of the Parliamentary Club of the Democratic Left. The congress also adopted a statute and the outline of a program. Journalists were refused permission to attend.

On the first day of the congress, the party voted to keep the name Party X. "The letter X," it was said, "symbolizes 10 centuries of Poland, the Ten Commandments, a score of 10 on a shooting target, and the branch number of the bank that conducts the party's banking business."

In its resolutions, the congress demanded, among other things, that Deputy Prime Minister Leszek Balcerowicz be brought before the State Tribunal for activity that could erase Poland's economic independence. Other resolutions call for the disclosure of names of former Security Service employees currently occupying parliamentary seats and government posts, an investigation into the distribution of money from the Democratic Development Fund and the Stefan Batory Foundation, and the protection of the rights of ethnic minorities. Nevertheless, the congress spoke out against domination over the government by any minority. It also condemned the fact that Poles abroad have no right to vote in Poland, and said that the pope's visit must not be abused for the purposes of the election campaign.

Both congress days began with a resolution banning journalists from entering the hall. Stanislaw Tyminski said: "Some people might consider that a bit brutal, but, with the economy in its present critical state, we are in a state of war. There are times when drastic measures are necessary and justified. Many newspapers are particularly hostile to our party and display a profile that is clearly anti-Polish."

On Sunday, the congress issued an appeal to President Lech Walesa, asking him to "weigh his words carefully in public situations, in a manner commensurate with his office."

On the second day of the congress, Tyminski received a standing ovation. Asked if he was competing for the post of party chairman, he said: "I do not want to, but I must." He was chosen unanimously. [passage omitted]

In the draft program that was adopted, the congress spoke out in favor of, among other things, universal access to science and culture and health care, the continuation of the general provisions of agrarian policy and the nationalization of industry, and privatization "at a sensible speed." The adopted statute says that "List X" is the party's press organ. [passage omitted]

The congress was concluded by the appointment of eight directors, a national representation, and a party court. According to the organizers, the congress was attended by 280 party members and 80 sympathizers. Stanislaw Tyminski described it as a success.

Iliescu, Roman Air Views on Election Anniversary

AU1805212491 Bucharest ROMPRES in English 1841 GMT 18 May 91

[Text] Bucharest ROMPRES, 18/5/1991—President Ion Iliescu and Prime Minister Petre Roman gave an interview to the Romanian Radio Television director-general Emanoil Valeriu, in marking one-and-a half years since the revolution and one year since the first free elections of May 20, 1990 in the Romanian people's post-war history.

President Iliescu and Premier Roman outlined the stages covered on the road to the country's democratization, to the consolidation of the new, democratic institutions, and the implementation of the economic reform.

In the period since the revolution, the collocutors said, fundamental changes have been wrought in the Romanian society. There has been a wide opening to a free, democratic society. The democratic institutions that establish the state of law have been consolidated and the state of law as such takes shape and is being consolidated. Likewise, they stressed that the law-making activity has marked tangible intensification, with more than one hundred new laws passed to cover almost all domains of activity in the country. The president and prime minister showed that the economic reform has marked progress, in spite of the difficulties.

The central issue to Romania, the respondents stressed, is the economic refloating and the ensuring of social protection. The economy, they said, has to be sanitized and productive activity boosted. The question is not the climate of work but to provide congenial conditions for work and to get rid of the economic deadlocks.

Iliescu's ROMPRES Interview Detailed

AU2005185991 Bucharest ROMPRES in English 1623 GMT 20 May 91

[Text] Bucharest, ROMPRES, 20/5/1991—Last year's elections were in themselves a crucial moment in the process that followed the December 1989 events, said President Ion Iliescu in an interview with a ROMPRES editor one year after the first free elections in Romania's post-war history, on 20 May 1989.

"Those elections summed up a stage and opened a new one," added the president and termed the former as "a period dominated by turmoil, political confrontations of a very outspoken character, sometimes, sharp and at times even violent, with a late reverberation in the June events, which I see as having common traits with the pre-electoral period and as an outburst of those discontent with the results of the elections."

The time that followed brought a "continuous evolution" of the political life.

"In the general context of the Romanian society, the area that witnessed the most radical changes is that of acquired political freedoms. The political life has been built on new political foundations giving unlimited freedom of association speech and choice.

In the past 12 months, the new democratic institutions of the country have consolidated: the Parliament, which has carried out an intense legislative activity, the presidency, an institution practically new, which resulted from the universal suffrage and whose aim is to keep the balance between the three political factors reflecting the separation of the state powers, which is another characteristic feature of our political life.

"Practically, the debates on the fundamental principles of the future constitution are completed. The final version of this capital act might be ready even ahead of schedule."

"If 1990 was the year of political confrontations, said the president, 1991 is mainly facing us with economic difficulties the transition period itself generating clashes and confusion. The government's prime duty is to restore the production process which is the key, the vital factor in the success of the reform."

"From this point of view, the year 1991 will probably be the most difficult one. It may happen that 1992 will see these hardships continued and worsened by an unfavorable international context and the reserved attitude of political circles that block our access to banking and financial bodies." Expressing his regret that "we do not succeed to line up a united front of all social forces in this country to remove these barriers, the president commented that "there are still Romanians that rejoice at the country's troubles and I, for one, fail to see why they are bent of furnishing themselves with such satisfactions, if they all state they are interested in the changes this country must undergo."

Another source of weakness, in the president's opinion, is the continued discord between political and social forces, fostered by the privations people have to cope with.

Privatisation is one of the basic links of the reform, but also a complex one, with far-reaching consequences in the economic life. In this respect, the new legislation should adopt a very poised attitude. Haste can bring about enormous social costs and serious consequences, the president considers.

It would have certainly been convenient to let the price liberalization go at a slower pace, but unfortunately we were pressed by life itself, by the impossibility of further budget subsidizing certain activities.

The most difficult aspect now is the translation into fact of the economic reform programme in the presence of a strong inertia, mostly in the people's thinking. This is why the first return of the election day finds us at a difficult moment, both socially and economically. Some of the stumble blocks are just beginning to emerge, such

as unemployment and inflation, therefore, said the president, the situation we are traversing should be regarded with understanding.

In this regard, the president remarked the appearance of successful initiatives, which should be advertised, to encourage the new trends in industry, where some people are beginning to find new ways out of apparently unsolvable situations. He quoted the refrigerator factory in Gaiesti and others. I think we have enough reasons to stay optimistic and confident of the chances of the economy, of production proper, which is the turning point of our future activity.

The president expressed his preoccupation for the fate of the people, young and old, for the participation of the technical class in the process of managerial and technological renewal and showed that "the government is no miracle-worker, it can only coordinate more or less successfully certain developments, but the key lies in the hands of the brains that run commercial companies."

Asked to anticipate on the next elections, the president said: "I wouldn't venture to say that by that time we'd have scored a definite recovery, to say the least. At that moment we may still find ourselves climbing down, even if less steeply than until then. I do hope that by the end of the year running, the goods production will jolt the economy out of its present deadlock. As to the people's life, the course is unpredictable and we cannot rule out rising unemployment figures. The ratio between prices and incomes is still detrimental to the latter," but he linked it to the very state of the world economy which experts foretell will recover no sooner than 1994.

"In my opinion, I think that at the date of the next elections we shall have accomplished our mandate and that we shall be entitled to the satisfaction of knowing that we contributed something fundamental to the progress of democratic Romania.

FSN Release on First Anniversary of Election

AU1705213191 Bucharest ROMPRES in English 2030 GMT 17 May 91

[Text] Bucharest, ROMPRES, 17/5/1991—In the rich political history of the period after December 1989, 20 May marks a decisive turning point, as it was the day of the first general free elections, the day when the democratic political system was born in Romania, says a press release of the Executive Bureau of the Steering Committee of the National Salvation Front (FSN).

Several political phases were put an end to on that day, first of all half a century of dictatorship that encompassed, as a political constant, three regimes. Starting on 20 May, the Romanian people has been restored its inalienable right to decide on Romania's governing.

Secondly, that was the end of the caretaking governing period that, as it was normal, followed the revolution. On 20 May 1990, the electorate queued for voting, and the queue before the ballot box was the most significant one in Romania's history. In the evening of 20 May, the victory of the revolution and the final defeat of the communist regime were confirmed. At that moment it became clear for everybody that the process was irreversible, that on that day the Romanian people made a definitive option for its future.

On 20 May, in Romania the foundations were set of a democratic pluralist political system, whose fundamental institutions are the parliament and the president elected by the direct vote of the people. From then on the government has been controlled by the electorate, through the parliamentarians.

The elections on 20 May were won by the National Salvation Front, the political party that could present the most coherent and realistic program for transforming Romania and the most credible political personalities. Following the freely expressed option of the electorate, FSN assumed the important responsibility of ruling during the most difficult period of political, economic and social changes, in which the former system is done away with and the institutions of a modern society are created in Romania.

In the year that has passed since the elections the society has been subject to radical changes. The drawing up of the constitution is in its final phase, and in the near future this fundamental act guaranteeing democracy and the citizen's rights is going to be submitted to a referendum.

A coherent process of an economic reform is under way, during which centralism will be done away with, and the whole system of production will pass from the property of the state into private ownership.

The process of integrating Romania in the new European and world structure has also been initiated. Romania was granted the status of special guest to the Council of Europe and has developed new relations with the EEC, with other international bodies, with its neighbors.

The process of economic and social change of Romania initiated after the 20 May elections is under way. It is a complex process and sometimes, haphazard realities and human error have made it be sinuous, but the option for a change has been firm and the program of political and governmental action along this line is clear and realistic.

Prime Minister Roman Speaks at FSN Meeting

AU2105113891 Bucharest ROMPRES in English 0912 GMT 21 May 91

[Text] Bucharest ROMPRES 21/5/1991—In a speech delivered Monday, 20 May, at the headquarters of the National Salvation Front (NSF) [FSN], On the occasion of a gathering dedicated to the anniversary of one year since the first democratic elections in postwar Romania, NSF Leader Petre Roman stressed the significance of the moment and pointed out the democratic evolution of the

country after that date. He remarked that Romania had reached a point where unity must prevail before political adversities, a common basis of consensus being needed. Political instability, added the premier, might drag on the transition period, painful enough for all of us.

Showing that the National Salvation Front assumed the responsibility of managing the country's affairs "complicated and difficult as they are". Mr. Roman put it bluntly that not seizing on some people's weaknesses to the detriment of the other is the way to be followed in Romanian politics, but, on the contrary, the mutual encouragement of the qualities of each political force, for the benefit of the nation. "We must be aware of the need to strengthen the unity of the sound forces of this country and sideline those forces, people or categories that do not think the same as we do from this point of view, because we are convinced that all those who wish to take part in the country's political life, do it wishing this country well. [no closing quotation marks as received]

Iliescu Interviewed on Position, Country's Future

AU2005100991 Bucharest ADEVARUL in Romanian 14 May 91 pp 1, 2

[Interview with President Ion Iliescu by Sergiu Andon; place and date not given: "Romania's President About Himself and the Country He Represents"; first paragraph is ADEVARUL introduction]

[Text] At the request of our editorial board, Romania's president, Mr. Ion Iliescu, was kind enough to give the following interview to Mr. Sergiu Andon, member of the Management Council of daily ADEVARUL:

[Andon] The sphere of authority of the head of state is relatively limited compared with that of the executive branch, for example. Still, you work till late in the evening. Many receptions or interviews—like this one, for instance—take place in the evening; on several occasions I have encountered your little entourage on your way home, late in the night. Please, give us some details about your daily schedule. In other words, what does the president do in his lonely office?

[Iliescu] This loneliness does not really exist. Without being directly involved in the executive work, the president's duties are not limited in any way, be it in size, sphere of action, or activities. I am obliged to get in touch with the executive, the legislative branch, the judges, and particularly with the political factors, not only for purposes of mediation, but also for a mutual exchange of information. Perhaps I should find more time for reflection. I exchanged views with President Francois Mitterrand on the organization of a president's working schedule and he asked me whether I still found time for reflection. I am really pestered by all sorts of requests; hence, there is little time left for analysis, study, and reflection. However, I must find that time! This may be a weakness of mine, regarding dividing one's time and organizing one's work with one's aides. There is this pressure of unforeseeable things happening all the time, however. This is another dominant aspect of our political life.

[Andon] You have peaked my curiosity; did President Mitterrand say something in this respect? Is he also concerned with that? Does he get time in a crisis, too? Did he suggest any solutions?

[Iliescu] This is not a question of offering solutions. The situations differ from country to country. The French president is very active and committed in political activity; thanks to their system of government, he is more directly involved in the activity of the executive. For instance, he directly chairs cabinet meetings. In spite of all this, he told me that he takes some days off. Unfortunately, we cannot really afford such a thing here.

[Andon] Maybe when we acquire some seniority in Europe, as many like to say....

[Iliescu] It would be quite good.

[Andon] Since we are talking about the French president: Mrs. Iliescu's absence from ceremonies attended by Mrs. Mitterrand was noted with some disquietude by your sympathizers; it revived the rumors of last year (some of which were publicly ventilated in an ugly form) about a possible illness. Can you explain her absence?

[Iliescu] As for her absence from a protocol obligation, the cause was an accident. She broke her leg, which had to be put in a cast for a while. Aside from which, I must confess, she does not particularly relish public appearances.

[Andon] Do you have family friends Mr. Iliescu?

[Iliescu] We have always had friends and still have them now. Unfortunately, we see each other more rarely than in the past. One of our good friends noted that in the past, we could meet but could not talk freely; now, we can talk freely, but we do not have time to meet.

[Andon] What would be the adjective with which you would like to be remembered by history?

[Iliescu] If possible, no adjectives at all. Just an objective estimation of my presence and the real contribution I can make at this difficult time for the country.

[Andon] No prominent figure escapes the curiosity of others, who would like to know what passions he has. What is your hobby?

[Iliescu] Social-political and scientific literature, plastic arts, and the theater. I read a lot and I used to write—too little, I realize now!—about the global problems facing mankind at this end of century. When I worked at the Technical Publishing House, I tried to promote the publication of works on this subject; I also participated in many scientific sessions devoted to these problems.

[Andon] I am curious about your passion for the theater. What shows did you use to enjoy? Do you feel that it is impossible for you now to be a simple spectator—this being one of the privations connected with your status as president?

[Iliescu] Absolutely! The theater was our pleasure, mine and my wife's! We followed Bucharest theater life closely; also in the provinces, where I worked (Timisoara, Iasi), I was on good terms with the theater people there and frequently went to see the shows. Unfortunately, since I took over this job, we have no longer been able to satisfy this pleasure of ours.

[Andon] What show did you particularly like—of the ones you saw in the past?

[Iliescu] I would particularly point out Ion Caramitru's "Hamlet"; Gabriela Adamesteanu's "Lost Morning" at the Municipal Theater, in which actress Tamara Buciuceanu was brilliant; or Radu Beligan's performance in "The Contrabass."

[Andon] Did you feel the temptation of going to the theater incognito?

[Iliescu] I thought of it, but have not done it yet.

[Andon] We hope we will not endanger your security by disclosing this intention of yours. Maybe you will go to see the play by Andrei Serban [modern Romanian playwright]....

[Iliescu] I talked with Andrei Serban! He invited me to the premiere. I could not go then, but I hope to see "The Antique Trilogy."

[Andon] Coming back to your activity: Do you regret that your position keeps you rather away from the implementation of the reform?

[Iliescu] Not exactly "away!" I have followed all these problems while they were still unfolding—from January 1990, when the commission that drew up the synopsis of the transition to the market economy was set up. As a matter of fact, it was then that I first discussed all these matters with Academician Tudorel Postolache, who coordinated that commission, which consists of a large number of experts—researchers and managers from all economic branches. In the January-June period, they put together a collective work which I consider most valuable, a work which laid the basis for the consolidation of our own approach to these problems. At the same time, they studied the experience of other countries that have embarked upon the same road as well as divergent expert viewpoints.

This material was also at the foundation of working out the governmental program for economic reform. I have followed and keep following the implementation of reform. I met with experts from the Institute of Economic Research, with other experts and representatives of economic units and branches, and with trade union officials. I took note of critical remarks about the progress of reform and about shortcomings in running the practical implementation process. I am discussing these matters with the representatives of both the government and the Parliament. Hence, I am not detached from these problems.

[Andon] Some people find the use of foreign experts to help with the drawing up of the draft law on privatization and other scripts for the evolution of privatization as controversial. How should one view this call on foreign experts—as an supplement to the efforts made by the Romanian experts or a parallel effort? Are we not able to work out alone a draft law on privatization?

[Iliescu] Resorting to foreign efforts does not exclude the activity of our own experts and the opinion of our bodies, which rely on their own experts. The consultation you are referring to, however, is not paid for by the Romanian Government but is part of the program of technical assistance—that is, it is part of the technical assistance given to us by international bodies.

[Andon] Do you believe that the delay in the completion of and the various oscillations in the legislative process in the economy have helped certain strata and individuals to accumulate capital for the transition to privatization proper?

[Iliescu] I do not know whether one can talk about a delay in the legislative process. In a pretty short period of time, the Parliament went through a very large number of legislative acts, including those pertaining to the economic reform. Almost 100 laws were passed in Parliament. Indeed, these are very complicated problems with lots of implications, which require a more thorough examination, the involvement of various experts, and preparatory dialogues and discussions. I believe that quite a lot has been done in one year, but that there is still very much left to be done. As for the observations about the order in which these problems are tackled, this is also something that can be discussed. The privatization law being worked out now is perhaps the most complicated of them all and the privatization process is the most difficult one to implement. Let us take a look at the countries around us. Hungary and Poland have accumulated several years of experience in this field and they are still aiming at a gradual implementation of this process over a number of years. Czechoslovakia is perhaps the most cautious one in this respect, stipulating a slow pace for the growth of the private sector in the economy. Even in a market economy of such great tradition as Great Britain, Mrs. Thatcher's government needed 10 years to privatize certain sectors that were nationalized by the Labor Party immediately after the war.

Therefore, the debate whether the price liberalization should have been preceded by privatization seems to me unrealistic; the price liberalization was demanded by stringent economic requirements, as the country's budget could no longer support the various unprofitable activities and branches that were subsidized through the mechanism inherited from the old centralized economy, when the state and government could redistribute

incomes from one sector to other sectors, something that has become impossible in the new conditions. Without liberalization, we would have had to close down whole enterprises that were no longer able to cover their production costs at the extant level of delivery prices, and the state could no longer subsidize them.

[Andon] Some people say that a start could be made by changing the streamlining of certain enterprises or sectors.

[Iliescu] This is a long-term process!

[Andon] Nevertheless, if it were possible to rethink the reform process from the very start, would you correct something in the script?

[Iliescu] I do not know if that would be possible.

[Andon] If a miracle happened and we could go back in time....

[Iliescu] Now, having acquired a perspective of the entire process and of the unfolding of all its component parts, one might say that it would have been better to work with specific transition methods. That is, not to "dismantle" all structures at once, but rather to ensure a gradual blending of the old and new structures and to dismantle the old structures and mechanisms while new ones were emerging. This was not possible then, however. Just think of the atmosphere of January 1990....

[Andon] Was it impossible from a political viewpoint?

[Iliescu] Both political and moral. A state of spirit was prevailing at that time, which vehemently contested and negated the old structures. There were enterprises that no longer wanted to observe the directives of central bodies and ministries; the industrial central departments were contested as hampering cogs in the system; and there prevailed an anarchic-trade unionist spirit, which demanded the removal of the o'd leaders, who were considered the mouthpieces of the old regime. Competent people, with a wealth of experience that can only be acquired by long practice, were contested. Because of this atmosphere, we could no longer implement a gradual transition.

[Andon] Regarding the law on the land stock—are you worried about the prospect of an increase in conflicts over the land?

[Iliescu] Everybody could see that passions and conflicts have emerged throughout the process of implementing this law, even in its first stages. I talked to many peasants from different parts of the country. Delegations from several villages came to see me—even from the hilly and mountainous areas, where the cooperatives were dismantled as of last year, before the publication of the law, and where conflicts have also broken out. With the appearance of heirs who have long since left their villages, new suspicions have emerged. Some villagers fear that people who have nothing in common with agriculture will lay their hands on the land with the intention of selling it later, thus leaving the villagers without land. A peasant from Teleorman asked me: "Should I go again hat in hand to the boyar [landowner], as in the old days? Do not let us fall into evil hands!" The agricultural and legal commissions of the Parliament as well as the Ministry of Agriculture have gathered many questions addressed to commune and county commissions, demanding clarifications and additions to the rules on the implementation of the land law in order to ease tensions. Aside from that aspect, one must note the overall positive working climate prevailing in the villages.

[Andon] There is much talk about corruption. Political scientists consider corruption as a phenomenon associated with dictatorships. How do you explain its proliferation in the present circumstances of definite democracy?

[Iliescu] First, the corruption is not a phenomenon solely linked to dictatorial regimes....

[Andon] I was referring to its scale!

[Iliescu] Dictatorial regimes develop a certain type of corruption—linked to the power, practiced around the power, and encouraged by a certain type of habits connected with the power. It is a struggle for positions in society and the promotion of nepotism and all forms of political or other client-relationship—as happened in our country until very recently, particularly in the last few years.

[Andon] On top of which comes the uncontrollable corruption within the repressive apparatus of the dictatorship....

[Iliescu] Yes. At the same time, the societies with a market economy nourish another kind of negative phenomena. Let us take a country such as Italy: "Mafia" is a phenomenon not liked to dictatorship. It has not developed in a dictatorial regime. Or, let us take America, the gangsters and organized crime there... Therefore, corruption has many facets.

We now have a transition regime; we are going through a transition phase, both in the political and economic spheres. This further increases the moral crisis of our society and also creates a favorable framework for all kinds of corruption: both the old forms of corruption, linked to the vices of the former dictatorial regime and the struggle for power; and the "new" vices, generated by the struggle for wealth and fast enrichment, by capitalizing on the current conjuncture. As a result, we witness the blending of the negative aspects of both systems, a most serious phenomenon that undermines the social balance. Consequently, it is necessary to fight corruption in all spheres: both with legislative measures and punitive ones as well as with an offensive on all fronts of social life; the press should also play an active role in this respect.

[Andon] How optimistic or pessimistic are you about the immediate success of this "fight?" Do you believe that this plague has reached the maximum limits of its expansion?

[Iliescu] This phenomenon is growing because the instruments we are using now are still very weak. The authority factor has lost a lot of its strength in our country: the political authority, the moral authority and the moderating influence of the public, the state authority, and the authority of the bodies in charge of defending public order, the public assets, and the citizens. Until we consolidate these factors, the struggle against antisocial phenomena will be more difficult. There is no doubt that a basic condition for combating corruption is the recovery of the national economy, the improvement of economic-financial levers, and the creation of sources for raising the living standard of all categories of citizens.

[Andon] Let us proceed to the political sphere. It is obvious that we do not have a credible or mighty opposition. In your opinion, why does our opposition lack consistency? Are you disappointed with this situation?

[Iliescu] Not only the opposition lacks consistency, but the entire organization of our political life is in an incipient phase. The government party is also going through various internal crises. This is part of the process of rearranging political life and political and human relations on new bases. It is a complex and long-term process. Even the fact that today we have such a dispersion—more than 100 registered political groupings—has an objective explanation. After a long period of stifling all possibilities of expression, it is only natural for people to want to prove their diversity of options and stands. However, it is obvious that political life will eventually develop its due maturity and more consistent political groupings and personalities will emerge....

[Andon] I would like to insist on the second part of my question: Are you disappointed with this situation?

[Iliescu] This is not a matter of being or not being disappointed. It is necessary to consider the given situation as an objective reality. I am confident, however, in the evolution of this process and in the emergence of ever more mature political forces with ever better substantiated alternative programs. This can only be to the benefit of the development of the Romanian social and political thinking and practice.

[Andon] Of course, you are familiar with the percentages that mark the electoral success of a majority party in other countries. Considering our circumstances, have you thought about an optimal percentage for the majority grouping in the future, so as to maintain a balance between the political forces?

[Iliescu] It is difficult to establish such criteria. The situations differ quite a lot. The game of percentages is not the only criterion of judgment. There are countries where the political game is limited to two formations, that succeed each other to power with very variable percentage quotas. In other countries, there are many groupings that put together a certain majority through coalitions. Maybe a certain consolidation will also take place in our country in the future, either through mergers or the assertion of several dominant groupings, which can cover the political spectrum from the right to the left, excluding the extremes. It is not obligatory for a grouping to necessarily become the majority one. It is also possible in our country that, by coalition, two to three groupings can put together the necessary majority for governing. It is hard now, however, to estimate the evolution of this scenario. Because the National Salvation Front [FSN], for example, although it is not a well-knit grouping from an ideological, programmatic, and political viewpoint, has nevertheless satisfied a spectrum of choices that were gravitating around a few commandments: a democracy that serves the interests of the many and that promotes a more efficient economy, while guaranteeing a certain level of social protection. The FSN program tried to project these major options, which were embraced by a pretty clear majority of the electorate; however, both the FSN and the electoral majority are undergoing a rapid process of evolution and the governing responsibility in a time of crisis is bound to fatally erode the positions of the majority grouping.

[Andon] While we do not have well-knit parties, we do excel in anniversaries of recent historical events. For instance, the anniversary of one year since the 20 May election is due shortly. Do you think that this "anniversary" will have any reverberation? That it will be marked as a special date by the more frantic segments of our political spectrum? Or, to put it more directly: Do you believe that it will be used by certain people for propaganda purposes?

[Iliescu] Regarding not so much the election, as the June events [the miners' rampage in Bucharest], there are forces that want by all means to maintain a state of perpetual agitation and use the memory of those events to create new tension in our social and political life. They are trying to capitalize not only on this, but also on the current hardships that are felt by all members of our society. They try, therefore, to involve new categories of people dissatisfied with the economic situation to accentuate these states of tension. For clear-thinking people, the passing of a year since those events can become an opportunity to draw an objective balance sheet of what has happened since then and of the real changes that have radically altered the face of Romanian society, concurrently with outlining various tasks for the future. As for other people, whose only concern is to maintain a perpetual state of tension, I do not exclude the possibility that these anniversaries will be used for new actions of street unrest and incitement to violence.

[Andon] Once the test of correctness was passed with last year's election, do you think that the problem of showing concern for the correctness of the next election, particularly the local election, will still arise?

[Iliescu] There should always be such concern.

[Andon] Do you think that, through the implantation of certain people as prefects and mayors, particularly in communes, the electoral chances of other people in local ballots become rather precarious?

[Iliescu] Generally speaking, I believe that last year's election created an optimum framework for ensuring the correctness of such elections and that useful experience has been gained in this respect. The massive turnout at the balloting stations prevented various attempts to distort the real results of the vote. The organization of local elections, however, obviously brings new problems that must be resolved through an appropriate law.

[Andon] Do you consider as satisfactory the current mechanism of appointing the heads of local administration—prefects, mayors—and their replacements?

[Iliescu] We are currently in a transition stage; this solution was imposed by the requirement that the organizations of the local administration must function in spite of everything. Of course, this is not a final formula. Unfortunately, the holding of local elections depends on the drafting of a law on the administrative-territorial organization of the country and this organization cannot limit itself, as some people want, to a simple return to the old administrative division. The face of the country has undergone a complete change in the past 50 years—the network of localities, the relationship between urban and rural localities, the relationship between industry and agriculture, the demographic movements, the infrastructures, communications, transportation, energy resources, water supplies, and so forth. All this requires a complex study to define the optimum structure and configuration of the territorial entities. On the other hand, one should establish: the bodies of local management—at the level of localities and counties—and their election mode; their relationship with the bodies of local administration; ways and means to reduce the administrative apparatus by increasing local autonomy; solutions for the main civic problems at the level of localities; and ways and means to ensure the self-financing of the administrative apparatus at the level of localities and counties. The elaboration of these principles and their inclusion in an appropriate law requires time; therefore, I do not see how local elections can be held before the end of this year.

[Andon] There are growing signs of instability among the prefects and subprefects as well as question marks about the arbitrary way in which these officials are appointed or dismissed. Is there not a risk that, because of the delay—which you consider as inevitable—in the adoption of a law on local administration and another law on the territorial-administrative organization, a whole category of local administrative leaders may emerge, people who will then become an impervious stratum when the state of law will finally reach the sphere of local administration?

[Iliescu] Neither do elections always provide a guarantee in this respect. Indeed, in the current situation, there have been indications of some rather unfortunate appointments that proved an insufficient knowledge of the candidates or a failure to check their qualities and competence. To avoid a repetition of such cases, it is necessary to hold more thorough preliminary discussions with more than one factor, primarily with the working collectives from where the candidates come.

[Andon] Since we are tackling local affairs, we would like to bring to your attention the fact that certain prefect's offices are engaged in an ongoing campaign to take over various independent local newspapers. I am not referring to trashy publications, which are quite abundant in the provinces, too, but to serious papers written by professionals. We have received such alarm signals from Petrosani, Tulcea, Buzau, Deva....

[Iliescu] It is possible that such situations arise. The press is a most efficient instrument for influencing public opinion. Of course, the local factors should establish correct relations, communication, dialogue, openness, and cooperation with the local papers. It is also an objective requirement that the press should be used for a broad and ever more thorough information of the population on the activity of the local administration. It is easy to understand the concern of local bodies with this aspect. I also believe that better information should also be provided at a central level. This is one of the weak points of our press. Of course, this should not lead to violation of the autonomy of the publications.

[Andon] From current conversations, even from the press, or from symbolic gestures such as the laying of flowers on the supposed graves of the dictators, a smaller or larger part of the population seems to show a kind of nostalgia for the two Ceausescus. How do you explain this phenomenon? Has it any long-term political significance?

[Iliescu] I do not believe we are dealing here with any significant or true longing for the past. The difficulties of daily life and a certain degradation of the economic situation and of the people's living conditions may cause certain states of dissatisfaction and comparisons. Some may think that, no matter how bad it was, certain aspects of our present life are getting worse. This does not mean that they might consider a possible return. The changes that are taking place in our society are irreversible!

[Andon] Mr. President, is there a question you would have liked me to ask that I did not?

[Iliescu] What we are hoping for, what is ahead of us....

[Andon] Please!

[Iliescu] There are difficulties that will increase in the near future. In spite of them, however, we can trust and hope for a better life. It will not be easy. For the time being, there are reasons for disappointment, particularly because of the daily hardships, which are directly felt by more and more people. The Romanian people—our history is proof of it—are capable of overcoming such difficult moments. We need such moral strength even now, to overcome these

difficult moments and build a better future for the country. We must cultivate this trust in the future and this moral strength especially in the minds of the young people. Unfortunately, there are some young people who, when confronted with real difficulties, seek satisfaction abroad, by leaving their country. The men of great moral and intellectual strength remain alongside the people that formed or helped to form them. There will always be hardships in life. Quite often, they are unavoidable, but we must be able to bring together all the nation's creative forces, particularly during hard times; we must bring together all the people who can do something for this country, so as to prepare the not too distant future and create new foundations for our life. I am still hopeful; therefore, I remain optimistic about our people's regenerative powers.

[Andon] Would you like to convey something special to the readers of ADEVARUL?

[Iliescu] I consider ADEVARUL one of the papers with a balanced position and an open mind, particularly regarding the processes taking place in our life. It rejected the cheap way of winning over its readers through sensationalist items and tried to maintain a platform for a serious discussion of the problems facing our society.

I believe that this is the road we should take to strengthen the people's trust and promote the active involvement of all people, of the largest number of members of this society, in resolving the problems facing our society. The press is playing a decisive role these days.

In this respect, I wish success to the editorial collective of ADEVARUL! I also wish success to its readers!

[Andon] Thank you very much Mr. President!

Communique of 13 May Presidency Session Issued

LD2005164991 Belgrade TANJUG Domestic Service in Serbo-Croatian 1250 GMT 20 May 91

[Text] Belgrade, 20 May (TANJUG)—According to a communique sent to TANJUG today by the SFRY Presidency, a meeting behind closed doors was held on 13 May in the office of the then president of the Yugoslav Presidency, Borisav Jovic, which was also attended, in addition to Jovic, by Ante Markovic, Petar Gracinin, Colonel-General Blagoje Adzic, Josip Boljkovac, and Jovo Vuckovic. The motive for convening this meeting was the need to reach an agreement on implementing the Yugosav Presidency's stands and measures—which were unanimously adopted at its 8 and 9 May session—for finding a lasting solution to interrepublican and interethnic disputes, particularly in the Republic of Croatia.

The following is the full text of this communique:

"At its session on 13 May the Yugoslav Presidency discussed current tasks arising from the Yugoslav Presidency's program of measures and acivities—which was unanimously adopted at its session of 8 and 9 May—for finding a lasting solution to inter-republican and interethnic disputes, particularly in the Republic of Croatia.

"SFRY Presidency President Borisav Jovic, FEC [Federal Executive Council] President Ante Markovic, Federal Secretary for Internal Affairs Petar Gracanin, chief of the General Staff Colonel-General Blagoje Adzic, Minister for Internal Affairs of the Republic of Croatia Josip Boljkovac, and Jovo Vuckovic, deputy federal secretary for Internal Affairs, also attended the meeting and took part in the debate.

"The meeting was convened to specify the responsibility of certain services for implementing the SFRY Presidency's decisions and stands and establishing the way of conducting the joint activities of the competent federal and republican authorities in implementing them.

"It was stated that only the Federal Secretariat for National Defense compiled a concrete and detailed plan of measures and activities, and it has been fully supported. It was agreed that such a plan should, for the purpose of the synchronized and effective carrying out of the many tasks, also be compiled in the shortest time by the Federal Secretariat for Internal Affairs, the Federal Secretariat for Justice, and other federal authorities It was also agreed that the coordination of the elaboration of these plans be taken over by the FEC, which starting also from its own stands, would be especially engaged in their realization. To this end coordination and cooperation will be achieved with the executive councils of the republics for the purpose of the more effective realization of these tasks.

"It was particularly stressed at the meeting that it is of the greatest importance that, in the framework of their competent authority, the concrete plan of measures and activities should be prepared in the shortest time by the competent authorities of the Republic of Croatia, because they are also most responsible for the implementation of the conclusions and measures. This plan should be prepared in close coordination with the competent federal authorities. It is very important here that account is taken of the time scale for carrying out the established obligations.

"For the purpose of implementing the program of measures and activities of the SFRY Presidency in the most effective way and the need for concrete tasks to be specified in the planned activities of the competent federal and Croatian services, it has been agreed that the following measures will be taken:

"1. The Republic of Croatia, in keeping with the approved program of activities, is obliged to ensure public order and peace and security, as well as the national and civil rights of all citizens throughout its territory. The appropriate federal authorities will be engaged in the elaboration of these measures and their realization, especially when it is a matter of controversial questions. In this connection it is very important that the competent federal and Croatian authorities should regularly assess in a complete way and in mutual cooperation the state of security and take concrete measures and actions on this basis, especially in the crisis flashpoints.

"2. Emphasis was placed on the responsibility of internal affairs services—in municipalities, of the Republic of Croatia, and of the Federal Secretariat for Internal Affairs—immediately to suppress violence and to secure peace as a prerequisite for further developing trust between Serbs and Croats in the republic and especially in the localities where intranational relations have been upset. This implies work on developing special measures that will ensure an immediate end to the movement of armed formations and armed civilians, excluding legally recognized local internal affairs services, between areas with majority Serbian population and other parts of Croatia, in both directions, and of all armed formations and groups excluding the JNA [Yugoslav People's Army] units and members of the Federal Secretariat for Internal Affairs.

"It was stressed that local police and militia stations must assume responsibility for public peace and order in areas under their control and that the Federal Secretariat for Internal Affairs should most urgently try to resolve all controversial issues. This implies, above all, that: no police or militia units should be sent from specific centers on Croatian territory into these areas; that all controversial police and militia stations be disbanded as a source of misunderstandings and be replaced by mixed-nationality ones; and that no new police or militia stations be set up in the future.

"In view of the fact that it has already been deployed in some of the crisis hotbeds, the JNA will not allow the movement of armed formations and armed citizens between these territories in both directions and will

ensure that this measure is implemented in an efficient way. The JNA will also be expected, in cooperation with other factors, to make sure that existing conflicts are resolved as soon as possible and that new ones are thwarted. If, however, new conflicts do break out, they will be tackled by the Federal Secretariat for Internal Affairs through special teams of inspectors and appropriate federal militia units permanently deployed in the troublespots. If these units fail to efficiently prevent movements of police and militia forces and possible armed interethnic conflicts, the JNA will be deployed in line and ordered to prevent the above.

"Halting the movement of armed formations or armed citizens will remove of all barricades and maintain all possible road and railway communications. Citizens may not stop a civilian. The JNA and untis of the Federal Secretariat for Internal Affairs are responsible for creating the safety and trust of citizens and are obliged to ensure the functioning of communications. It is also necessary to do everything to prevent the activity and movement of the most extreme citizens from specific areas by the undertaking of legally prescribed measures, and this applies particularly to those from the ranks of extremist emigres who are stimulating interethnic conflicts in a premeditated way.

"3. There should be an immediate start to the demobilization of police reservists, or rather police forces and special purpose units, and the disarming of citizens and the location of their weapons in appropriate storage facilities, which will be under the control of the competent organizations. The Ministry of Internal Affairs of the Republic of Croatia and the Federal Secretariat for Internal Affairs will draw up special plans on this. These plans should be made public as soon as possible and their execution should be checked in an effective way, while keeping the public informed.

"In view of the fact that there is a law that regulates what is military weaponry and what is police weaponry, it is vital that the measures for storing these weapons be elaborated in more detail by the Ministry of Internal Affairs of the Republic of Croatia and the Federal Secretariat for Internal Affairs in cooperation with the JNA. Weapons confiscated by the JNA or handed in to it are to be placed in their storage facilities.

"It was also pointed out that the demobilization of police reservists, in other words of the police, as well as the handing in of arms, should also be carried out in other republics, accompanied by the involvement of the Federal Secretariat for Internal Affairs on the basis of the same criteria. The FEC will ensure, on the basis of the plans and proposals of the Federal Secretariat for Internal Affairs, a corresponding activity in all the republics. The JNA will monitor this process and supervise the storage of weapons handed in to it by citizens or confiscated from them."

"It is vital to elaborate the measures and activities in a concrete way in the plans so that the competent federal bodies and the organizations of the Republic of Croatia will accelerate the process of thorough investigation in connection with the armed conflicts, the human casualties, and the material destruction that occurred in certain environments, as well as the damages that should be paid, and inform the public about this. In this connection, it is particularly important to throw light as soon as possible on the causes and consequences of the tragic events in Plitvice, Borovo Selo, Split, and in other crisis hot spots. The Federal Secretariat for Internal Affairs, in cooperation with the competent internal affairs services in the Republic of Croatia, will make a detailed examination of the state [of health] of persons captured in the conflicts in Plitvice, because a good deal of misinformation is spreading about this, which is all contributing to the further provoking of fear and hatred, and inform the public about all this.

"4. It is vital to elaborate in more detail the measures that will make it possible to end as soon as possible the attacks on the JNA, its members, facilities, and resources. In this connection [it is vital to] compile a detailed analysis of these attacks and send it to the SFRY Assembly, the SFRY Presidency, and the FEC, as well as to the republics on whose territory this occurs so specific measures are taken.

"Stress is placed on the responsibility of the republics in connection with the fact that individuals, and especially groups of armed civilians, are disarming military personnel. In all these instances all persons who do this should be arrested and punished in accordance with the law. The republics are also responible for preventing intelligence gathering and the hindering of exits from barracks and other military facilities that is now taking place in Croatia; if this occurs the internal affairs services and the JNA will take concrete measures to prevent such persons and actions and to punish those responsible.

"5. The importance was emphasized of the need to initiate in the Republic of Croatia as soon as possible a dialogue between representatives of bodies of the Republic of Croatia and legitimate representatives of the Serbian people living in Croatia regarding all contentious political issues that have caused the crisis (constitutional equality of the Croatian and Serbian peoples; language and alphabet; national and state symbols; nation's right to self-determination, including secession; way of voting in a referendum; etc.). In the present circumstances it would have the strongest influence on the rapid removal of the present tension and the successful settlement of the remaining contentious questions. Competent federal organizations can also be involved in that if they are asked to do so. Emphasis was placed on the interdependence of setting the one-month deadline from Article 2 of the SFRY Presidency Stands and Article 5, which foresees that negotiations will create conditions that will make the measures from Article 2 become superfluous.

"6. The SFRY Presidency and the FEC should constantly be kept informed about all the activities taken to implement decisions and stands of the SFRY Presidency of 9 May. These bodies will, if needed, examine the information and direct further work on the implementation of decisions and stands.

"The reestablishment of peace and safety in certain parts of the Republic of Croatia will have a positive effect on averting similar cases in other areas. All of this will enable further successful negotiations on the political future of Yugoslavia and overcome the intranational and intrarepublican conflicts.

"The SFRY Presidency should constantly be kept informed about everything that is important for the effective implementation of the program of measures and activities. The public should be informed promptly and objectively about the implementation of the SFRY Presidency's decisions," the report concludes.

Federal Assembly Meets on Presidency Issue

LD2005172391 Belgrade TANJUG Domestic Service in Serbo-Croatian 1513 GMT 20 May 91

[Text] Belgrade, 20 May (TANJUG)—The SFRY Presidency, as the collective head of the state, does exist and can function, despite the fact that its president and vice president have not been elected on time, which hampers the SFRY Presidency from discharging its constitutional role.

This was concluded at today's meeting between the SFRY Assembly president and the presidents and vice presidents of the Assembly chambers, the SFRY Assembly Information Service stated.

The meeting also noted that, at the 16 May joint session, the SFRY Assembly proclaimed the members of the SFRY Presidency from Montenegro, Kosovo, and Vojvodina, whereby necessary conditions have been created for the functioning of the SFRY Presidency in full compliment.

The meeting assessed that the SFRY Presidency should, as soon as possible, elect the president and vice president in line with the SFRY Constitution, which is very important for the current political and security situation in the country and the SFRY's international position.

Regarding the situation, the SFRY Assembly will undertake necessary measures within the framework of its rights and duties. The meeting noted that the SFRY Assembly is not authorized to interpret the SFRY Constitution. The SFRY Assembly's chambers are authorized only to interpret federal laws that they pass.

Federal, Republic Prime Ministers Meet

LD2105115691 Belgrade TANJUG Domestic Service in Serbo-Croatian 1111 GMT 21 May 91

[Excerpts] Belgrade, 21 May (TANJUG)—A meeting betwen Federal Executive Council [FEC] President Ante Markovic and presidents of the republican governments has begun in the Palace of the Federation.

TANJUG has learned talks will focus on financing of the federal budget and how to set the budget for this year, ways to remove blockades of the Yugoslav market, and to implement recent conclusions of the FEC and the SFRY presidency about a permanent settling of interrepublican and intranational conflicts.

The prime minister should, in fact, agree about a regular flow of funds into the federal treasury, which has been hampered by redirection of revenue from the basic sales tax and customs duties which belong to the federal budget. [passage omitted]

It is expected that the FEC Information Secretariat will issue a statement on today's meeting.

TANJUG on U.S. Amendment, Internal Events

LD2005162591 Belgrade TANJUG in English 1412 GMT 20 May 91

[Stevan Cordas report]

[Text] Belgrade, May 20 (TANJUG)—The Nickles Amendment, which calls for the withdrawal of all economic aid and support to Yugoslavia, has not become effective, TANJUG learned Monday from well-informed diplomatic sources here.

According to the same sources, the amendment would come into force only if it were signed either by U.S. Secretary of State James Baker or his deputy Lawrence Eagleburger, neither of whom have done so until now.

The U.S. Congress adopted the amendment last November at the proposal of Oklahoma Senator Don Nickles, who said that the administration, depending on the U.S. vision of the respect of human rights in Yugoslavia, should oppose all aid to Yugoslavia, i.e. proposals made before international finance institutions, such as the International Monetary Fund (IMF) or the World Bank.

Whether the amendment will be activated depends on further developments in Yugoslavia.

Yugoslav diplomatic circles believe that the withdrawal of aid, i.e. the support of international finance institutions, would be carried out in case of a total blockade of the Yugoslav Presidency or the fall of Ante Markovic's government.

The state department has, at present, taken a correct stand on the Yugoslav crisis and has so far made no statement about withdrawing aid to Yugoslavia, diplomatic circles say.

Well-informed sources say that Washington is even proposing the expansion of economic cooperation.

Reportage on Federal Presidency President Debate

Mesic Assumes Presidency, Denies Coup Charges

AU2005145091 Belgrade Radio Belgrade Network in Serbo-Croatian 1300 GMT 20 May 91

[Vesna Knezevic report from Zagreb]

[Text] Stipe Mesic has sent a letter to all members of the SFRY Presidency, the president of the Federal Executive Council, the federal ministers for internal affairs and defense, chief of the general staff of the Yugoslav People's Army, and all ambassadors in Yugoslavia in which he informs them that on the basis of the provisions of the SFRY Constitution he has assumed the post of president of the SFRY Presidency.

[Knezevic] After consultations with the members of the Presidency, I will convene a Presidency session sometime this week. This was stated by Stipe Mesic at a news conference in Zagreb at noon today. In a reply to the question why he wanted to be the president of the federation in which Croatia does not believe, Mesic said that Croatia is part of that federation, and that he wants the federation to function better, something that it can do as a union of states. He said that he was surprised that the Constitutional Court of Yugoslavia has still not produced an explanation concerning the newly arisen situation.

Concerning the agenda of the session that he intends to convene, it will be prepared according to documents submitted by experts. For the time being it is important, Mesic said, that the presidency is placed in its normal function. If the Presidency session is attended by only four members who voted in favor of the Croatian representative, not only will it mean that the Presidency will be able to make relevant decisions, but that it also functions.

Does the establishment of a coordinating body not mean a kind of coup d'etat? Mesic replied that he did not know what the coordinator appointed by several members of the Presidency, Sejdo Bajramovic, would do and what he is doing in the Presidency at all. If Bajramovic represented the Presidency, this would be a coup d'etat, because this position of a coordinator has nothing to do with the constitution, Mesic said.

On the other hand, the coordinating group of the federal prime minister Markovic should not be received, Mesic said, with any (?prejudices) because everyone is entitle to make proposals, especially the president of the government. It would be good if the federal government and the president of the SFRY Presidency cooperated. In this way they would repair the broken links among the republics and normalize communications with the world, Mesic said.

I am not aware of the fact that Croatia will proclaim itself independent on 30 June, something that would jeopardize my position as president, Mesic concluded and added: If dissociation does take place, this is a long process, and therefore there is no reason whatsoever for me to tender my resignation as president of the SFRY Presidency.

Mesic News Conference on Presidency

LD2005194291 Belgrade TANJUG Domestic Service in Serbo-Croatian 1434 GMT 20 May 91

[Text] Zagreb, 20 May (TANJUG)—"I will send a letter today to all the members of the country's Presidency, to the president of the Federal Executive Council, to the ministers of the internal affairs and national defense, to the chief of the general staff of the Yugoslav People's Army, and to all ambassasdors to the effect that I have automatically taken over the duty of president of the Yugoslav Presidency as stipulated by the constitution and the procedure book."

This is what Stipe Mesic, until recently vice president of the Presidency, said when addressing a news conference for foreign and Yugoslav journalists in Zagreb today. He also announced that as early as this week he will convene the first session of the country's presidency.

"All those coordinators, or whatever they call them, are not in accordance with the Constitution and have nothing to do with it," Mesic said.

The majority of questions from some 150 journalists during the half-hour news conference referred to Mesic's first moves as president of the country.

I am interested to see that the Presidency starts functioning normally as soon as possible, Mesic said.

Asked why he wanted to be the president of a federation in which Croatia does not, in fact, believe, Mesic said that Croatia is part of that federation and wants it to function better. This it can do only as an alliance of sovereign states. Until there is an agreement the federation must function in its present form, and "I am interested in ensuring that it functions as well as possible."

Mesic also said that he is surprised at the lack of response from the Constitutional Court of Yugoslavia, which has a duty to explain the existing crisis. He expressed a belief that the Constitutional Court will react quickly and will adopt a decision as soon as it has studied in detail the situation in the country.

One question was: Is not the appointment of a coordinating group a form of coup d'etat?

Mesic replied that two different issues are involved here. One is the coordinator appointed, as he put it, by a group of the SFRY Presidency members in the person of Sejdo Bajramovic.

"I do not know what that man's duties are and why exactly he is in the Presidency. Of course, if he were to represent the Presidency, that would be a coup because it would be in collision with the constitution. As for the commission set up by Ante Markovic as prime minister to implement measures adopted by the country's presidency, that is a different matter. For these measures have to be implemented but only in coordination with legitimate representatives of the services and institutions of the Republic of Croatia. There is no disagreement over this", Mesic said.

Asked about a report on the possibility of the United States suspending financial assistance to Yugoslavia for human rights violations in Kosovo, Mesic said the suspension would affect the economy of both Croatia and the federation. He said Croatia would try to secure financial assistance from abroad.

The issue of human rights violations cannot be resolved until the institutions of the legal system begin to function in both Kosovo and Yugoslavia, Mesic said.

Asked about the future of Ante Markovic's program, Mesic said that Markovic's economic program enjoys support in one part of the country, while support is lacking in the other part that is demanding his resignation.

"Ante Markovic's future will depend on the situation in the Federal Assembly, which is the only place where such a decision can be made."

One of the questions referred to the existence of paramilitary formations.

I agree, Mesic said, that all illegal paramilitary units should be disarmed; illegal units in Croatia are those that are not under the Croatian Minister of Internal Affairs. They have to be disarmed, and it will be done soon.

Asked about "the proclamation of Croatian independence on 30 June," Mesic said he is not familiar with that detail.

I only know that a referendum in Croatia was carried out which genuinely expressed the people's will, and the Croatian leadership's decisions will stem from it.

"Regarding my term as president, if the dissociation takes place, it will still be a long process, and hence there is no reason for me to resign as SFRY Presidency president," Mesic said in conclusion.

League of Communists Leader Opposes Mesic

LD2005133191 Belgrade TANJUG in English 1245 GMT 20 May 91

[Text] Belgrade, May 20 (TANJUG)—Leader of the League of Communists-Movement for Yugoslavia Dragan Atanasovski told a press conference in Belgrade on Monday that Stipe Mesic, member of the Yugoslav Presidency from Croatia, cannot be Presidency president because he had uttered statements towards Yugoslavia's breaking up.

Mesic failed to get the sufficient number of votes of the Presidency members so that the decision on this is awaited from the federal parliament and the Constitutional Court.

The League of Communists-Movement for Yugoslavia was late last year formed by a group of former Yugoslav politicians and retired generals.

Atanasovski also said that his party's membership in Croatia were being openly pressured and that "signals were arriving about the mood for an armed uprising in this Republic."

He said this "was ruled out at present," since the party supported the activities of the legitimate organs towards establishing peace. This, he added, did not mean that the party will not take the side of the people "if they were forced to an uprising."

Presidency Member Rejects Mesic's Claim

LD2005164891 Belgrade TANJUG Domestic Service in Serbo-Croatian 1615 GMT 20 May 91

[Text] Belgrade, 20 May (TANJUG)—A letter by SFRY Presidency member Stipe Mesic sent to the top Federal and republican leaders expresses personal views and cannot be taken as an official statement. This is the gist of information issued by the SFRY Presidency secretary general, which we transmit in full:

"Regarding today's information given by Stipe Mesic, member of the SFRY Presidency, and sent to members of the SFRY Presidency, the president of the SFRY Assembly, the Federal Executive Council president, the republican presidents, and other prominent personalities, in which he informs them that as of 16 May he has assumed the post of the president of the SFRY Presidency and that he will discharge related duties for a year, and that, following consultations with other members of the SFRY Presidency, he will convene a regular session, SFRY Presidency General Secretary Anton Stari informed the same personalities about the following:

"As is known, the SFRY Presidency at its 15 May session failed to elect the president of the SFRY Presidency session that has been agreed upon with the aim of seeking possible solutions.

"Hence, information that SFRY Presidency member Stipe Mesic sent via has cabinet to the SFRY Presidency

members and other top Federal and republican officials expresses personal views and cannot be taken as an official statement," the information of the SFRY Presidency secretary general states.

Kosovo Recognizes Mesic as President

AU2005133691 Zagreb Radio Croatia in Albanian 2040 GMT 19 May 91

[Text] In connection with the situation created regarding the election of the representative of the Republic of Croatia as president of the Yugoslav Presidency, a public statement issued by the Information Office of the Assembly of the Republic of Kosovo states, that the Assembly of the Republic of Kosovo, relying on the procedure prescribed by the Constitution, considers Mr. Stipe Mesic as the legitimate president of the Yugoslav Presidency as of 15 May of this year, when all the conditions laid down by the Constitution for the transfer of the office of the head of the country's Presidency were present. Mr. Mesic, therefore, has the total support of the Kosovo Assembly as the legitimate president of the Yugoslav Presidency.

Regarding the voting in the State Presidency, this Assembly states once again that anticonstitutional methods were used against the representative of Kosovo, Mr. Riza Sapundziju, making it impossible for him to express the standpoint of the Republic of Kosovo on this issue.

Moreover, the current presence of the so-called Kosovo representative [Sejdo Bajramovic] in the Presidency is illegitimate and anticonstitutional, the statement by the Kosovo Assembly concluded.

FEC Official on Crisis Effects on Economy

LD1905123791 Budapest Domestic Service in Hungarian 0630 GMT 19 May 91

[Interview with Zoran Miskovic, general secretary of the Federal Executive Committee, by Gyorgyi Orban; place and date not given—recorded; Miskovic in Serbo-Croatian fading to Hungarian translation]

[Text] [Orban] Do you think we can speak about a Yugoslavian economy today at all?

[Miskovic] That question is not put correctly. Yugoslavia, the Yugoslav economy, as well as the Yugoslavian market do exist. The Federal Government is making further efforts to implement the reforms, and now of course it is working on guaranteeing the conditions for the functioning of the Federation. At least until an agreement is reached between the republics on a new Yugoslavia.

[Orban] It seems to outside observers that the various republics have no effective economic program, thus they are trying to make the most of nationalism.

[Miskovic] I disagree with this, because everything was working when the republics accepted the program of the Federal Government. The Markovic program did work indeed, too, although it is true that the first period brought all the troubles on surface. Now we are in the second phase. The essence of it is that this is the only program that can guarantee that a multiparty system comes to work in Yugoslavia. The reason for the wave of nationalism is not this economic program, neither is it the result of that. The roots of nationalism are much deeper. It is so not only in Yugoslavia, but in all multinationality countries that have switched over to a multiparty system now.

[Orban] The republics are very different from one another, however, they are united in attacking the program bearing the name of the prime minister.

[Miskovic] Of course the republics do not like the Markovic program, for the immediate, short-term economic interests are different. It is not necessary that everyone like this program, but those who disagree should seek a solution in the legislature, in democratic debates.

[Orban] You are very optimistic.

[Miskovic] That is correct, I am indeed optimistic. I could not do my job if I were not. I cannot see a way out of the crisis other than democratic unity in this country.

[Orban] The fact that tourism is also collapsing in this situation as a result of which large sums will be missing from the state budget makes the economic troubles even worse.

[Miskovic] We want to create peaceful conditions. We want to guarantee the tourists' safety. We will give concessions to those who visit us even now. I think that rumors about dangers threatening tourists have simply been exaggerated. This season of course will not be the same as the last one, but it will be much better than what they say or write about it. The beginning of the tourist season is one of the reasons for the leader of the republics to try and come to an agreement with one another as soon as possible to ease national tension.

Loncar: International Reputation 'Delicate'

LD2005173191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1416 GMT 20 May 91

[Text] Novi Sad, 20 May (TANJUG)—The international reputation of Yugoslavia is tragically delicate. It was difficult for us, too, during the "cold war" and during the provocations between the blocs, but at that time we were united. In the past, we represented a factor of stability in the region, while now the world fears that Yugoslavia will become a hotbed of conflict, which could also take on broader proportions.

This was stated today in Novi Sad by Federal Foreign Affairs Secretary Budimir Loncar, speaking to officers of the headquarters of the Yugoslav Peoples' Army [JNA]

garrison on the international situation and the position of our country in the world.

According to some, the Yugoslav federal foreign affairs secretary went on, we represent the most sensitive spot in Europe, a potential bomb that could be activated at any moment. As a result, the world requests of us that we resolve all our problems in a civilized and democratic way.

Not considering some marginal phenomena and inspirations, foreign countries advocate the unity of Yugoslavia, reintegrated on democratic bases. In terms of its size, our country is sixth in Europe and 26th in the world, and it is easier for all our peoples to be involved in international developments through it, rather than individually, Loncar stressed.

It is in our basic interest that we assume world public opinion that we will succeed peacefully and democratically in emerging from the difficulties and encouraging the arrival of tourists and foreign capital. To continue economic reforms this year, we need $4.5 billion, and much depends on the negotiations with the IMF. On the domestic scene, the federal secretary stressed, it is vital that we make possible the free development of communications and that we guarantee to everyone their personal safety and that we ensure, in law the realization of all the rights of nations, nationalities, and citizens.

Loncar also pointed out that developments in Europe are unfurling in two directions. On the one hand, states are renouncing some of their sovereignty and bestowing it on supranational institutions, while, on the other hand, the role of regions is increasing. These aspirations should also be a model for Yugoslav politicians who are expected in a sober way, considering internal circumstances and the narrow and broad context, to make the most favorable decisions for all the citizens of the country. We must resolve our problems alone, not in isolation, because advice from other countries can also be well-intentioned, Loncar concluded at the public forum in the JNA Club, in Novi Sad.

TANJUG Examines 'Unofficial' Election Results

LD2005161891 Belgrade TANJUG Domestic Service in Serbo-Croatian 1509 GMT 20 May 91

[Text] Zagreb, 20 May (TANJUG) According to the final, unofficial results of the Sunday referendum in Croatia, out of 3,652,225 registered votes in 102 municipalities, 83 percent participated in the referendum.

Out of the number of voters who voted (3,030,288 voters), 94 percent support "the republic of Croatia, as a sovereign and independent state which guarantees cultural autonomy and all civil rights to Serbs and members of other nationalities in Croatia, can enter an alliance of sovereign states with other republics."

Only 5 percent were in favor of "Croatia remaining in Yugoslavia as a single Federal state."

Zlatko Crnic, deputy president of the republican commission for the referendum, noted in particular that only in the municipality of Donji Lapac no one voted in the referendum, whereas partial voting was held in other so-called crisis municipalities. He also stressed that no serious incidents were recorded during the voting. "The majority of members of the municipal commissions and committees, carried out their duties responsibly and honorably," Crnic said.

The final official results of the Sunday referendum in Croatia will be announced on Wednesday, 22 May.

Serbian National Party Founded in Zagreb

LD1805204591 Belgrade TANJUG in English 1623 GMT 18 May 91

[Text] Zagreb, May 18 (TANJUG)—The Serbian National Party (SNP) was founded in the Yugoslav Republic of Croatia capital, Zagreb, on Saturday.

The SNP, as set out, will "urge living together of the Serbs and Croats, and will rally Serbs, but also all other citizens of good will, regardless of their nationality and religious affiliation."

President of the initiating committee Milan Djukic stated that without a comprehensive solution to the issue of Serbs in Croatia, there was no solution to the Yugoslav crisis.

Djukic underlined that the SNP "called on all citizens, and especially Serbs in Croatia to refrain from use of force, to refuse obedience to those who were pushing them into bloodshed and to offer their hand to their Croat neighbors so they could mutually protect and preserve each other."

The armed conflicts between Serbs and Croats in Croatia took the toll of at least twenty people.

The SNP program principles set out that the party "Respected the sovereignty and territorial integrity of the Republic of Croatia and that its members would oppose all forms of national exclusiveness, intolerance and chauvinism."

The principles stress that the party "Did not accept the interference of the Army into the internal political matters and into solving the crisis," and urged depolitization of the Army and police.

The SNP founding assembly was attended by representatives of the ruling Croatian Democratic Union and Croatia's parliament.

There is in Croatia already a Serbian party—The Serbian Democratic Party (SDS)—which rallies only Serbs. The SDS initiated the forming of the Serbian Autonomous Region of Krajina, which the Croatian authorities do not recognize.

The region was formed in the southern parts of Croatia in which Serbs make up the majority of the population.

The population in Krajina in a recent referendum voted for its joining the Republic of Serbia.

[Belgrade TANJUG Domestic Service in Serbo-Croatian at 1310 GMT on 18 May adds in a Zagreb-datelined report: "More than 200 citizens were present at the founding assembly, and in their discussions supported the coexistence of Serbs and Croats in these regions, and the peaceful and democratic resolution of the Yugoslav crisis."]

Serbian 'United Opposition' Appeals For Peace

AU2105151291 Belgrade POLITIKA in Serbo-Croatian 11 May 91 p 2

[V. V. report: "Ten Appeals for Peace"]

[Text] The united opposition of Serbia issued 10 appeals at its antiwar meeting the day before yesterday. Compliance with these appeals would, as it was said, ensure peace in the country.

The SFRY Presidency was asked to urgently order that the Yugoslav People's Army [JNA] disarm all Ustasha groups, and armed individuals in Croatia at any price. The JNA is expected to protect Serbs in Croatia and in Bosnia-Hercegovina, and to act professionally.

The SFRY Presidency and SFRY Assembly were given seven days to convene an extraordinary session of both chambers, at which the leaders of all parliamentary parties, the representatives of the Serbian Autonomous Region [SAO] of Krajina, and the Serbian National Council for Slavonija, Baranja and Western Srem, will be obliged to participate. The ministers of the Federal Government, the representatives of the cultural and scientific circles of all six republics, and the presidents of the six republics, should also take part in the session. The presidents of Croatia and Serbia are expected to report on their secret talks at this session.

The SFRY Presidency and the SFRY Assembly should also invite a delegation of the United Nations and the European Parliament to come to Croatia. If the JNA is successful in disarming the units, the opposition demands that the elections for the Consitutional Assembly of Yugoslavia take place, after which the republican elections should be held simultaneously. A demand was also made that the furthering of hate in the media and at the public meetings be put to an end.

An appeal was made to the democratic consience of the Croat nation to deny obedience to the regime of hatred and war. At the end, it was stressed that all Croats and Serbs can live in one state as long as this is Yugoslavia—a democratic state that will ensure to all nations the civil, national, and cultural rights.

Serbian Parties React to SDA Autonomy Plan

LD2005204391 Belgrade TANJUG in English 1907 GMT 20 May 91

[Text] Belgrade, May 20 (TANJUG)—One of Serbia's opposition parties, the New Democracy-Movement for Serbia, Monday strongly criticized the Moslems in the Sandzak region (southwestern Serbia) who announced they may proclaim autonomy.

The Moslem Party of Democratic Action (SDA) for Serbia Sunday said it may one-sidedly proclaim the autonomy of Sandzak, populated mainly by moslems, in case Yugoslavia disintegrates.

SDA has also formed its own government - the National Moslem Council - which will come into its own in case the federal parliament and the Yugoslav Presidency are suspended, a state of emergency introduced or if a civil war breaks out.

The New Democracy-Movement for Serbia charged the SDA for "wanting to break up Serbia" and for stirring up the Moslems" to revolt and wage a [word indistinct] war against the Serbian population."

The Association of Serbs [RAS] [words indistinct], capital of Sandzak, described the forming of the Moslem National Council as the "proclamation of an occupation by one nationality."

RAS charged SDA of aiding Croatia's ruling party, the Croatian Democratic Union (CDU) [HDZ], in breaking up Yugoslavia and "helping the president of Bosnia-Hercegovinc Alija Izetbegovic in his plan to set up an Islamic state on Yugoslav territory."

The president of the Novi Pazar Socialist Party believes that "the forming of a Moslem National Council threatens to deteriorate inter-ethnic relations in the region."

New Alliance of Opposition Parties in Serbia

LD2005124691 Belgrade TANJUG in English 1139 GMT 20 May 91

[Text] Belgrade, May 20 (TANJUG)—The basic aim of the United Serbian Democratic Opposition, the alliance of opposition parties in the Yugoslav Republic of Serbia, will be "ousting the socialists, i.e. disguised communists, from power and establishing an authentic democratic movement in Serbia," it was cited in a document prepared for the founding gathering.

The United Serbian Opposition, as announced, should officially be founded on Wednesday and will include eight of the most important national parties in the republic.

The document on the founding gathering cites that the United Serbian Democratic Opposition insists on new elections for which the pre-election campaign should be at least six months long.

The opposition also announced leaving parliament, where the ruling socialists hold an absolute majority, and asked for the forming of a coalition government and the abolishing of the so-called political police. It also demands changes in the top management of newspapers, radio and television.

The opposition will also endeavor for "by a far the largest part of the Serbian nation" to live in one state "possibly Yugoslavia, if wanted by Slovenia and Croatia."

In the case of a confederation, the opposition does not accept the present borders of the Yugoslav republics.

Slovene Defense Minister on Autonomy Moves

LD2005135791 Belgrade TANJUG Domestic Service in Serbo-Croatian 1224 GMT 20 May 91

[Text] Ljubljana, 20 May (TANJUG)—In the framework of the "Defense and Security" project, all preparations to ensure the taking over of effective power in Slovania will be carried out by 26 June. This republic has at its disposal real forces capable of protecting its steps toward autonomy, and we do not see forces that could prevent such steps. This was stressed at today's presentation of the project by Slovene Defense Minister Janez Jansa.

Jansa said that there is a certain coordination of some activities with Croatia, above all on the question of securing southeastern border and in the event of someone trying forcibly to block the implementation of the decision made in the plebiscite. Explaining the "project" in detail, Jansa stressed that it is based on the principle of gradual moves toward separation. In this context the deadline for the resolution of all issues is 31 December 1993. Until that time, if such an agreement is reached the Yugoslav Peoples' Army [JNA] can still perform some functions for Slovenia, which Slovenia will finance.

Jansa also referred to the request sent to the Federal Government that all soldiers from Slovenia doing their military service in the JNA be discharged ahead of schedule by 10 June. The "Defense and Security" project also expects that the Republic of Slovenia will recognize the social rights of active military officers of the JNA who are permanent residents of Slovenia who would want to carry out their professional work in the territorial defense of Slovenia. The same right will also be recognized for all military pensioners who are permanent residents of Slovenia and who want to remain there.

Slovenia does not want to carry out the decision of the plebicite in an antagonistic way, Jansa said, and this is why it is proposing gradual moves and the recognition of those rights. The disintegration of the Federal services and the taking over of civil authority by the military leadership, however, dictate special measures to ensure steps toward autonomy by force as well. According to Jansa, the republican assembly has provided all the legal bases by approving a series of acts.

Jansa also said that preliminary training of territorial defense members is under way in two centers near Maribor and Ljubljana. This is exclusively specialist military training and, compared to the JNA, all politics and ideology have been purged, Jansa said. He mentioned that a formal oath-taking will be held at the beginning of June. In connection with the current position of Slovene soldiers in the JNA and that it amounts to just over 6,000 soldiers, he rejected as unfounded the criticisms among the public and in the press that soldiers from Slovenia are exposed to a danger to their lives because of the steps that Slovenia is taking in the area of moves toward autonomy. Interethnic conflicts betweens Serbs and Croats will have come about regardless of them, Jansa said.

New insignia, ranks, and uniforms of members of the territorial defense of Slovenia were also presented to the public at the news conference. This is a matter of equipment, it was said, which is produced by about 10 Slovene firms, and the complete equipment for one soldier costs just over 18,000 dinars.

'No Force' Can Stop Independence

LD2005170791 Belgrade TANJUG in English 1528 GMT 20 May 91

[Text] Ljubljana, May 20 (TANJUG)—Slovenia has the necessary real strength to protect its steps towards independence, and "we see no force that could prevent it," the republic's defence minister Janez Jansa said on Monday.

Jansa said, presenting Slovenia's "defence and security" plan, that there was a certain coordination with the republic of Croatia, above all in relation to securing the south-eastern border, if somebody tried to prevent the implementation of the plebiscite decision by force.

New signs of services and ranks as well as uniforms for members of Slovenia's territorial defence were also shown to newsmen.

Police Reportedly Distribute Arms to Kosovo Serbs

AU2005215391 Zagreb Radio Croatia in Albanian 2045 GMT 20 May 91

[Text] Correspondents in different areas of the Republic of Kosovo inform us that the Serbian police distributed weapons to Serbs and Montenegrins in many communes and settlements yesterday and the previous day.

Groups of Serbs, for example, went to the Kamenica militia station yesterday, and took automatic, semiautomatic weapons, and large quantities of ammunition.

In front of the building of the Secretariat of Internal Affairs in Pec, police distributed two truckloads of weapons to Serbs and Montenegrins yesterday afternoon before the eyes of passers-by.

Likewise, in front of the Istok police station many Serbs and Montenegrins were supplied with automatic rifles. They paraded through the town center with the weapons on their shoulders.

The distribution of weapons in localities in Istok Commune was conducted by private cars with Pec, Mitrovica, and Belgrade license plates. At about 1400 yesterday, but also throughout the day, Serbs and Montenegrins from Kijevo and (?Lecan) near Malisevo emerged from the police station in Kijevo, carrying weapons on their shoulders.

A Yugoslav Army Pinzgauer was also observed several times ferrying weapons from the Secretariat of Internal Affairs in Malisevo to the Kijevo police station. Arms were also distributed in the village of (?Lecan) in this commune.

A large number of Serbs and Montenegrins assembled in front of the militia station in Lipljan yesterday, and the most up-to-date weapons were distributed to them.

All the political parties of these communes reacted against this widespread arming of Serbs and Montenegrins, demanding that the Federal Executive Council take the necessary measures to prevent this illegal and ominous distribution of weapons. They also called on the Albanians to be vigilant, organize themselves, and, far as possible, steer clear of provocations.

The police also distributed weapons to Serbs and Montenegrins in the the communes of Urosevac and Stimlje. For example, many cars with Prizren, Pristina, and Urosevac license plates were seen at Stimlje police station yesterday afternoon. These cars were full of automatic rifles that were distributed to all parts of the commune inhabited by Serbs and Montenegrins.

Likewise, a report from Donja Nerodimja states that weapons were distributed to Serbs and Montenegrins from a truck. Many Serbs and Montenegrins also armed themselves with automatic weapons at the Training School of the Secretariat of Internal Affairs in Vucitrn. The same thing happened at the Secretariat of Internal Affairs in Prizren and in the village of Dusanovo.

The Kosovo Democratic Alliance [LDK] and the Peasant Party informed the Federal Executive Council about this action, stating that it is intensifying after the formation of various military staffs of Serbs and Montenegrins in Kosovo and after the Serbian government's demand for additional measures in Kosovo. They drew attention to the need to take the necessary measures, because this action has caused distress among the unarmed Albanian people, who are most imperiled in this situation. If you do not prevent this action, undesirable consequences may result for which you, as the Federal Government, will be responsible, the two parties' statement concludes.

With the arming of Serbian and Montenegrin Chetnik bands in the Republic of Kosovo, the LDK's Youth Forum calls on the Albanians to [words indistinct] in the face of these blatant fascist-style provocations. At the same time, the Youth Forum calls on the younger generation to remain united and, if the need arises, ready to do its duty to its own people to solve the Albanian question.

Kosovo Democratic Alliance Elects Officers

AU2005133891 Zagreb Radio Croatia in Albanian 2040 GMT 19 May 91

[Text] As Bexhet Baraliu reports, a meeting of the Kosovo Democratic Alliance's [LDK] Central Council was held today in Pristina, and discussed the LDK's work, organization, and future political activity on the basis of the document approved at the first electoral assembly and in accordance with the new political circumstances. The Central Council elected two deputy chairmen of the LDK's Presidium, Professor Fehmi Agani, and Anton Kola. Bujar Bukoshi was elected secretary.

Thanks were expressed to the outgoing Presidium members, Mehmet Kraja, Ibrahim Berisha, (?Ragip) Kelmendi, and Xhemajl Mustafa for their work, and special gratitude was expressed to Jusuf Buxhovi, the outgoing secretary, for his work and efforts in building this political party in Kosovo.

Serbian Democratic Forum Formed in Kosovo

LD2005211991 Belgrade TANJUG Domestic Service in Serbo-Croatian 1328 GMT 20 May 91

[Text] Pristina, 20 May (TANJUG)—The Serbian Democratic Forum for Kosovo and Metohija [Srpski Demokratski Forum Kosova i Metohije] a nonparty, national and democratic association, was formed today in Pristina. The forum's objective, as stated at the founding assembly, is to preserve Kosovo and Metohija as traditional Serbian land and an inseparable part of the Serbian state.

The forum, as stressed in the program objectives, will champion legal and factual rule of the Serbian state. At the same time, it will, however, draw attention to the abuse of power and inefficiency of the authorities.

The assembly supports the just struggle of the Serbian people outside of Serbia. Dusan Celic was elected the Forum president.

Split in Kosovo Democratic Alliance Denied

AU2005135191 Zagreb Radio Croatia in Albanian 2040 GMT 18 May 91

[Text] The Presidium of the Third Branch of the Kosovo Democratic Alliance [LDK] in Koder e Diellit [Suncani Breg] in Pristina today elected the former military officer Agim Krasniqi as its president. The election took place according to statutory procedure, because Halil Alidemaj, the former president, has formed a new party. It is not a question of any kind of split in this branch of the LDK, but the development of pluralistic party life in Kosovo.

Macedonian Social Democrats Elects Chairman

LD1905080691 Belgrade TANJUG Domestic Service in Serbo-Croatian 1415 GMT 18 May 91

[Text] Skopje, 18 May (TANJUG)—The first congress of the Social Democratic Party of Macedonia [Socijaldemokratska Partija Makedonije] opened in Skopje today in the presence of about 200 delegates and guests. The guests included a representative of the Social Democratic Party of Albania. The congress stressed the preservation of the Yugoslav political community as being of historic importance for the Macedonian people and its interests. Tihomir Jovanovski was elected new chairman of the party.

Government To Organize Human Rights Committee

LD2005193491 Belgrade TANJUG in English 1533 GMT 20 May 91

[Text] Belgrade, May 20 (TANJUG)—The Yugoslav Government has decided to urgently form a committee for the protection of the freedoms and rights of the citizens of Yugoslavia.

The Federal Government, its information service said Monday, "considers it neccessary to form this body in view of the worsening political crisis which is assuming the characteristics of nationalistic totalitarism and an ethnic conflict and having a deteriorating effect on the Yugoslav citizens' rights and freedoms."

The committee, it is said, would "examine all violations of citizens' rights, visit crisis regions and prisons, investigate cases of power abuse, malpractice and all kinds of harassment."

It would also be empowered to examine even cases under court procedure which are being stalled.

The committee would be made up of the representatives of Federal organs, the Association for the Protection of Citizens' Freedoms and Rights and of prominent experts in this field.

The Federal government drew up a draft law on the setting up of a Federal council for the protection of freedoms and rights, but as some time will be needed for even its urgent adoption, the government decided to react speedily to the situation in the country and form a corresponding committee.

'Reserve Variant' for Government Funding

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[Text] Belgrade, May 20 (TANJUG)—The Yugoslav Government has a "reserve variant" in case international financial support to its reform programme is missing, the government's economic adviser Ljubisa Jaredic told newsmen here on Monday.

Jaredic did not specify the content of the variant but warned that if there was no financial support on which the government's reform depends a great deal, that would mean a further fall in production and the standards of living, and an even greater worsening of problems at home.

A recent parliamentary debate on Prime Minister Markovic's report was polarized and bitter, but it also contained some warnings and positive criticism of the government's work in the past period, he said.

On a motion of no-confidence in the government, proposed at last week's session of the Federal Assembly's Chamber of Republics and Provinces, Jaredic said the government would "state its views" on it at next session of the chamber set for May 28.

Irrespective of the differences in view on the macroeconomic policy, and, especially, stabilization programme, nobody denied the need for going on with the economic reform, he recalled.

It is the Federal Government's attitude that stabilization and "such a reform" cannot pass without sacrifice—fall in production and the standards of living and increase in unemployment, said Jaredic. [sentence as received]

He warned that the fulfilment of obligations towards the beneficiaries of the federal budget had now been jeopardized by four republics—Serbia, Croatia, Slovenia and Macedonia—having stopped to pay their import duty revenues. He also announced that the frameworks of monetary policy would be changed due to the newly-arisen situation and that a way out of it would be sought in a short-term loan from new money.